

The Incorporated Accountants' Journal

The Official Organ of
The Society of Incorporated Accountants and Auditors

THE INCORPORATED ACCOUNTANTS' JOURNAL is published monthly, on the first day of each month, at an Annual Subscription of 12s. 6d., which includes postage to all parts of the world. The price of a single copy is 1s. 3d., postage extra.

Communications respecting the general business of the paper to be addressed to the Secretary of the Society of Incorporated Accountants and

Auditors, Incorporated Accountants' Hall, Victoria Embankment, London, W.C.2. Cheques and postal orders should be made payable to the Society, and crossed "Bank of England."

Letters for the Editors to be forwarded to them, care of the Secretary, as above. Correspondence, copies of reports and accounts, &c., will be welcomed from the profession.

Vol. XLVII

JANUARY, 1936

No. 4

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Mr. James Augustine Cremin, B.A., Stirling, has gained the First Place Certificate in the Intermediate Examination, but does not receive a prize owing to the operation of the age limit. The Second Place Certificate and Prize are awarded to Mr. Robert William Thomas Clements, Kingston-on-Thames. The recipients of the Third, Fourth, Fifth and Sixth Place Certificates are respectively Mr. Fred Cusk, London; Mr. Alec Herbert Barber, London; Mr. Stanley William Sykes, Wallasey; and Mr. Carl Frederick Wagner, Manchester. For this examination 406 candidates sat and 45 per cent. passed.

For the Preliminary Examination 78 candidates presented themselves, the percentage of passes being 54. Mr. Thomas Methven, Linlithgow, and Mr. Herbert Henry Palmer, Hereford, are awarded the First and Second Place Certificates.

Professional Notes.

At the recent examinations of the Society of Incorporated Accountants and Auditors held at centres in Great Britain and Ireland, only 45 per cent. of the total of 838 candidates satisfied the examiners. The results are published in full in another part of this issue.

In the Final Examination there were 354 candidates, of whom 44 per cent. were successful. Mr. William Arthur Shapland, London, is awarded the First Certificate of Merit and First Prize; Mr. Harold Payne, Bournemouth, the Second Certificate of Merit and Second Prize; and Mr. Ernest Sinnott, Worthing, the Third Certificate of Merit and Third Prize. The remaining Honours candidates are Mr. Edwin Stanley Prince, Derby; Mr. Francis William Cundy, Torquay; and Mr. Arthur Paul Goth Walters, London.

We publish this month a report of the proceedings at the 43rd annual meeting of subscribers to the Incorporated Accountants' Benevolent Fund, together with the report of the Trustees. It is satisfactory to note an increase in the amount of the annual subscriptions and of the donations, the latter being attributable mainly to some special amounts received in connection with the Jubilee of the Society, but, as pointed out by the Chairman, the Trustees feel strongly that the area of support to the Fund should be more widely extended. The number of subscribers and donors whose names appear in the list is only about 1,700, which is but a small proportion of the Society's membership. It is to be hoped that further support will be forthcoming for this very deserving object, so that, supplemented by the special fund which is being raised in memory of the late Sir James Martin, the available resources may be so augmented as to enable adequate relief to be given in all deserving cases.

The Jubilee Dinner of the Institute of Municipal Treasurers and Accountants was held in the Guildhall, London, last month, when a large company of distinguished guests assembled to celebrate the 50 years of the Institute's activities. Whilst the absence of H.R.H. the Duke of Kent on account of the death of Princess Victoria was much regretted, the proceedings evoked great enthusiasm. The toast of the Institute was proposed by Sir Kingsley Wood, the Minister of Health, and responded to by the President, Mr. F. W. Rattenbury, F.S.A.A.

A compliment was paid to professional accountants by Sir Enoch Hill, the President of the Halifax Building Society, when speaking at the Jubilee Dinner of the Bradford and District Society of Incorporated Accountants last month. He said that as President of a Building Society which had nearly 400 branches throughout the country, and as President of the Chartered Institute of Secretaries, he was not unfamiliar with accountants and their ways, and added: "I should like to say at once of these diligent and at times ingenious people that I have a high regard and respect for them. After a long and intimate experience of accountants I can say with sincerity that I know of no finer or more likeable body of men and women in this country."

According to a Reuter's message from Ottawa no definite changes in company law are recommended in the report of the Dominion and Provincial Conference recently held at Ottawa, but the Secretary of State will convene a Continuing Committee for the purpose of working out a model Companies Act for the consideration of the provinces. The Conference report represents a further concentrated effort to bring into uniformity the Dominion and Provincial Company Laws. The Dominion and the nine provinces all have the right to grant charters and make laws, and consequently considerable differences exist. The recent trend has been towards uniformity, amendments with that object having been made to the Dominion Companies Act last session.

It is announced that the Departmental Committee on the Simplification of the Laws relating to Income Tax, which has been sitting since the year 1928, under the chairmanship of Lord Macmillan, has now completed its work. The draft report of the Committee will be presented at an early date.

An important decision in relation to appeals to the Special Commissioners of Income Tax was

given by the Court of Appeal in the case of *Rex v. Income Tax Special Commissioners, ex parte Elmhirst*. Notice of appeal to the Special Commissioners against an assessment was given in July, 1932, and in November, 1933, the applicant gave notice to withdraw the appeal, and contended that in view of his withdrawal the Commissioners had no further jurisdiction to proceed with the matter. The Divisional Court refused to accept this view, and now the Appeal Court has confirmed their ruling. The point at issue was whether on appeal the Commissioners had not only the right to reduce an assessment but also to increase it. In this particular case it was said that the assessment ought to be very much larger than the sum so far assessed.

In delivering judgment, the Master of the Rolls said that the Commissioners of Income Tax in making assessments and dealing with appeals were exercising a statutory duty which they were bound to carry out. They were not in the position of judges dealing with an issue between two particular parties, but were fixing the amount which, in the interests of the country at large, the taxpayer ought to pay. Continuing, he said, "I find it impossible to accept the argument that the giving of a notice of appeal is merely an act from which the taxpayer can withdraw at his discretion and that he can at any moment prevent the Commissioners ascertaining and settling the sum to be assessed by the simple process of intimating that he withdraws his notice of appeal."

The Court of Appeal has reversed the decision of Mr. Justice Finlay in regard to the income tax liability of the Lincolnshire Sugar Company, Limited, in respect of advances of £17,494 under the Government's Beet Sugar Subsidy Scheme for the year 1931. Mr. Justice Finlay had upheld the decision of the Special Commissioners that the Company was not liable to tax on these advances, but the Appeal Court has taken a different view. The Master of the Rolls, in delivering judgment, said the advances were cash payments made out and out, subject only to a contingent liability to enable the Company to avoid trading difficulties. This contingency had not arisen and could be disregarded. The appeal was accordingly allowed, and the Company was ordered to bring into account the amount in question for the year in which it was received.

A point of some interest in relation to directors retiring by rotation came before the Courts last

month on a motion by Professor J. W. H. Eyre, against Milton Proprietary Limited, and Mr. H. S. Clough, the chairman of the company. There was a doubt as to whether one or two directors were due to retire at the annual meeting. If two, these were Mr. Knox and either Professor Eyre or Mr. Clough, both of whom had been appointed about the same time. The provision in the company's Articles was that "when two or more directors have served for an equal period, then their retirement shall be determined by ballot." What actually happened was that a vote of the directors was taken by ballot to decide the matter (Professor Eyre and two others not voting), and the result was that the plaintiff was the director chosen to retire. For Professor Eyre it was contended that the words "retirement shall be determined by ballot" meant drawing by lots and not a secret vote of the Board. The defence was that "ballot" meant voting.

Mr. Justice Eve held that determination "by ballot" meant in this case that a vote of the directors was to be taken by ballot. Professor Eyre appealed, and the Court of Appeal have unanimously reversed the decision. The Master of the Rolls, in delivering judgment, said that the words "by ballot" might mean either "by secret vote" or "by lot," and, after considering the use of the word "ballot" in company legislation, he had come to the conclusion that, in view of the terms of the company's Articles, the true meaning of the word "ballot" in this case was "lot."

On the appeal the further point was raised by Professor Eyre that, under the provisions of the company's Articles, only one director ought to retire, and the Court came to the conclusion that this was the correct interpretation. No question, therefore, arose of either Professor Eyre or Mr. Clough having to retire, as it was agreed that, in any event, Mr. Knox was a retiring director. It will thus be seen that, while the Court's judgment on the first point is of general interest, it ultimately proved to be immaterial in the case under notice.

On a recent petition for the confirmation of the reduction of capital of *Hector Whaling Limited*, a question arose as to whether the relative special resolution of the company had been validly passed. Sect. 117 of the Companies Act, 1929, provides that "not less than 21 days' notice" must be given of the general meeting at which it is intended to propose a resolution

as a special resolution. Mr. Justice Bennett decided that "not less than 21 days" meant 21 days exclusive of the day on which the notice is deemed to be served and also exclusive of the day of the meeting. The expression, therefore, has the same effect as "21 clear days," the meaning of which was decided as long ago as 1885 in the case of the *Railway Sleepers Supply Company*.

An important judgment regarding the rating of unused mills containing machinery has been given by the Court of Appeal in the case of *Townley Mill Company (1919) Limited v. Oldham Assessment Committee*. The mill in question was closed down, but contained certain process machinery, and there was a resident engineer-caretaker to look after the plant. It was contended on behalf of the company that there was no beneficial or rateable occupation, and that, in addition, sect. 24 of the Rating and Valuation Act of 1925 provided that the machinery was not to be taken into account in assessing the mill.

The Divisional Court upheld the contention of the company, but the Court of Appeal have now unanimously reversed their decision. Lord Justice Greer pointed out that it had been established by a long series of decisions that machinery should be taken into account in valuing hereditaments, and in his opinion sect. 24 of the Rating and Valuation Act, 1925, did not mean, as had been suggested, that for the purpose of the valuation of a hereditament no account was to be taken of the plant or machinery therein; it merely determined what plant should be included, and what plant should be treated as tenant's property and excluded.

A further development in the operations of Fixed Trusts is announced by the Municipal and General Securities Company who were the pioneers of fixed trusts in this country. The management has nominated 157 companies, in any of which, as well as in British Government Securities, it is free to invest at discretion. While leaving room for flexibility, this scheme enables the purchaser of sub-units to be certain of the limitations within which his money will be invested, the directors having discretionary powers to invest in the debentures, preference or ordinary capital. The investments are disclosed and all of them will be fully-paid securities.

On the occasion of the recent transfer of the office of the Registrar of Companies from Somerset House to Bush House, it was found that the total weight of the company files maintained for public

inspection was 850 tons, and the shelving space occupied was $8\frac{1}{2}$ miles. The number of files consulted in the year 1934 was nearly 252,000, as compared with only 36,000 in the year 1900. The number of documents sent in for registration is continually increasing, and now an additional half mile of shelving is required each year to accommodate the new documents.

According to the figures given in a White Paper issued by the Government the net surplus of the Post Office for the year ended March 31st last was £11,876,817. Of this surplus £10,750,000 went as a fixed contribution to the Exchequer, leaving £1,126,817 payable to the Post Office Fund. The net receipts for the year amounted to the large sum of £73,776,191, including £1,340,058 derived from wireless licenses.

In a report issued by the United States Securities and Exchange Commission particulars are given as to salaries received by directors of certain American industrial concerns. The amounts of some of these are rather impressive. They range from £50,000 in the case of the chairman of the Bethlehem Steel Corporation down to £7,300 in the case of the chairman of the General Cable Company. Some interesting figures are also given with regard to very substantial dealings by officials in the purchase of large blocks of stock in their own companies.

The output of electricity continues to increase. For the month of November last the output showed an increase of 10.2 per cent. over the corresponding figure for November 1934, and for the eleven months to the end of November there was an increase of 12.4 per cent. on the corresponding period of last year.

At the prize giving ceremony of the Leeds College of Technology, Mr. H. Ramsbotham, M.P., representing the President of the Board of Education, said that the Government, with the co-operation of Local Education Authorities, had determined to place the provision for technical and art education throughout the country on a satisfactory basis; and in particular to bring the accommodation up to a standard which would bear comparison with what their continental neighbours had done or were doing. Without giving any exact estimate of the probable cost, he said a rough calculation suggested that the work would involve a capital expenditure of some £12,000,000, which would take the form of long term charges and would be divided between Local Authorities and the Exchequer.

BONUS SHARES AS INCOME.

A POINT of some importance to trustees was decided by Mr. Justice Farwell on an originating summons taken out in order to ascertain the rights of the tenant-for-life and the remainderman in the case of *Re MacIver's Settlement*. Part of the trust fund was invested in $6\frac{1}{2}$ per cent. cumulative preference shares of Richard Thomas and Co., Limited. No dividend had been paid on these shares for some years, and in March a scheme for the reorganisation of the company's capital was put before the members.

Under the scheme the holders of the preference shares were asked to assent to the cancellation of the arrears of cumulative dividend. The holders of the ordinary shares, which were of a nominal value of £1, were asked to agree to a subdivision of each share into three shares of 6s. 8d., and to allow a transfer of two of the new shares of 6s. 8d. to the holders of the preference shares in order to compensate them for their loss of arrears of dividend. The scheme received the necessary assents. As a result of this arrangement, the trustees of MacIver's settlement received a number of ordinary shares of 6s. 8d. each. These shares were claimed by the tenant-for-life under the settlement on the ground that, as regards the trust, they ought to be treated as income, being received as compensation for the loss of dividend rights. The remainderman, on the other hand, took the view that the shares should be treated as capital.

Existing case law gave no direct assistance on the point. In *re Nisbet's Settlement* (1911), where bonus shares were allotted to the trustees of a settlement, it was held that the shares ought to be treated as income, on the ground that the trustees had the option of taking the bonus in cash; but in *re Evans* (1913), where the facts were not dissimilar, the Court held that the bonus shares were capital, since it was the intention of the company to increase its capital. Other cases which indicate the nature of the problem to be solved are *Bouch v. Sproule* (1887) and *re Thomas* (1916).

In *re Armitage* (1893) surplus assets available for distribution on the winding-up of a company, the shares of which were subject to a trust, were held to be capital; and in *re Hatton* (1917), where a call was made on shares, and at the same time a bonus was declared on terms that it was to be applied in payment of the call, it was held that the bonus was capital.

In none of these cases was the point at issue exactly similar to that in *re MacIver's Settlement*.

ment; but the previous decisions had determined the principle which was to be applied, viz. that if the company is clearly capitalising revenue profits, the bonus shares are capital for the purpose of the trust. In *re Nisbet's Settlement*, one of the very few cases in which bonus shares have been held to be income, there was a distribution of capital profits and not a capitalisation of revenue profits.

In *re MacIver's Settlement*, Mr. Justice Farwell said that if the company had been in a position to pay off the arrears of dividend, the sum paid would have been income for the purposes of the trust, and that, as the new shares were allotted in return for the shareholder's agreement to forego his right to the arrears of dividend, they ought to be treated as income, since it was clear that the company had not capitalised any moneys. The new shares belonged, therefore, to the tenant-for-life.

INTERNAL DIFFERENCES OF COMPANIES.

THE cardinal rule of corporation law that a majority of its members, *prima facie*, is entitled to exercise the powers of the corporation applies to limited companies with certain limitations and qualifications, as provided by the Articles. The rule in *Foss v. Harbottle* (1843), which governs companies as far as their domestic affairs are concerned, is that the Court will not generally interfere with the internal affairs of a company where an irregularity has been committed, so long as that irregularity is capable of confirmation by the company. In that case it was held that when an act which is not *ultra vires*, the confirmation of which might be done with the approval of a majority is done irregularly without such approval, the majority are the only persons who can complain or condone. Where the wrong complained of is one done to the company and not to an individual shareholder, the Court will not interfere at the suit of any shareholder, whether suing on behalf of himself and all the other shareholders, or on behalf of himself alone, if a majority of the company assembled in general meeting could ratify it, unless the majority of the company is using its powers to benefit itself at the expense of the minority, or to defraud it. If the thing complained of is a thing which in substance the majority of the company are entitled to do, or if something has been done irregularly which the majority of the company are entitled to do regularly, or if something has been done illegally which the majority of the

company are entitled to do legally, then there can be no use in having litigation about it, the ultimate end of which is only that a meeting has to be called and then the majority gets its wishes.

Nothing connected with internal disputes between the shareholders will the Court interfere with, unless there be something illegal or oppressive or fraudulent, or unless there be something *ultra vires* on the part of the company *qua* the company, or on the part of the majority of the company, so that they are not fit persons to determine the matter. All other matters must be left to the domestic tribunal constituted by the Articles. The Court declined to interfere where a company had neglected to appoint new directors, the making of such appointment being properly exercisable by the company in general meeting; and also where the chairman refused to grant a poll since there was nothing to prevent the plaintiff from summoning another meeting and dealing with the matter in that way (*MacDougall v. Gardiner* (1875)). Where a director voted for a contract in which he was personally interested contrary to the Articles, it was held that the contract was invalid, but as the irregularity could be cured by the company in general meeting, the Court refused to interfere (*Foster v. Foster* (1916)).

Articles are a contract between the members of a company *inter se*, and where a company has delegated its powers and duties to directors and there is a deadlock which prevents the directors fulfilling their duties, the company can then act (*Barron v. Potter*, 1914), which was followed in *Foster v. Foster* (*ante*), where the directors being in the circumstances unable to exercise the powers conferred upon them by the Articles, the company in general meeting were held to have power to act. Articles are *ultra vires* and inoperative so far as they purport to deprive dissentient shareholders of their statutory rights (*Payne v. Cork Co.*, 1900).

An individual shareholder either in his own name or together with that of other shareholders can bring an action when the company is acting *ultra vires*, or where his rights of property as a shareholder are being ignored, and also when he can show that it would be useless to convene a meeting having regard to the fact that the delinquents control a majority of votes. The power of debenture holders to vary rights is commonly given to a three-fourths majority, and although the minority will be bound by the decision of the majority, care must be taken that the provisions of the trust deed are strictly complied with. A majority must not give away the rights of the whole body.

Powers given to majorities to bind minorities are always liable to abuse, and whilst full effect ought to be given to them in cases clearly falling within them, ambiguities of language ought not to be taken advantage of to strengthen them and make them applicable to cases not included in those which they, apparently, were intended to meet. Subject to the above limitations the majority is supreme, and the Court will not only respect any decisions come to by them, but will, if necessary, lend its aid to enforce their decisions on a recalcitrant minority.

By sect. 168 of the Companies Act, 1929, a company may be wound up by the Court if the Court is of opinion that it is just and equitable that it should be wound up. In 1914 W. and R., who traded separately, agreed to amalgamate their businesses, and in order to do so formed a private limited company in which they were the only shareholders and directors. Under the Articles of Association they had equal voting powers, one director was to form a quorum, and if any dispute or difference should arise consequent whereon inability to pass a directors' resolution should result, the matter in dispute should be referred to arbitration, the award to be entered in the minute book as a resolution duly passed by the board. The business was successfully carried on until June, 1915, when differences arose between the parties. One of such differences was referred to arbitration, which resulted in an award to which R. declined to give effect. He brought an action for fraudulent misrepresentation against W., and the parties became so hostile that neither of them would speak to the other, communications having to be conveyed between them through the secretary of the company. In spite of this the company continued to transact business and large profits were made. Under these circumstances W. presented a petition alleging that a complete deadlock had arisen, that the substratum of the company was gone, and that it was "just and equitable" that a winding-up order should be made. It was held that if this were a case of partnership there would clearly be grounds for a dissolution, and that the same principle ought to be applied where there was in substance a partnership in the guise of a private company. The position amounted to a complete deadlock, and it was just and equitable that the company should be wound up (*re Yenidje Tobacco Company*, 1916). This was followed in *re Davis & Collett* (1935), where it was held that where a company's affairs are so conducted as improperly to give one director control, it may be just and equitable to wind it up compulsorily.

ANGLO-ITALIAN TRADE PAYMENTS.

The Treasury have made the following announcement:

All sums received or to be received by the Controller of Anglo-Italian Debts in respect of Italian goods imported into the United Kingdom before November 18th, 1935, or in transit on that date, will be paid into the Sterling Account referred to in Article 5 of the Anglo-Italian Payments Agreement of April 27th, 1935 (Command Paper 4,888). The sums available in the Sterling Account will continue to be transferred to creditors in the United Kingdom in respect of debts due from persons in Italy for (a) United Kingdom goods exported to Italy before November 18th, 1935; and (b) freights for the carriage of goods exported before the same date between the two countries in British ships, in respect of which lire have been or shall be deposited in the Lire Account referred to in Article 4 of the same agreement. Such transfers will be effected in the chronological order of the deposits into the Lire Account.

In order to avoid misunderstanding it is pointed out that:—(1) Debts from persons ordinarily resident or ordinarily carrying on business in the United Kingdom to persons ordinarily resident or ordinarily carrying on business in Italy in respect of the price of goods grown, produced, or manufactured in Italy and imported into the United Kingdom, must as heretofore be paid to the Bank of England for the account of the Controller of Anglo-Italian Debts and not otherwise; and (2) it is illegal to export goods to Italy against payment by deposit in the Lire Account unless the price has been wholly so paid by deposit into the Lire Account made before November 18, 1935, or unless the goods were in course of transit on November 18th, 1935.

In connection with the above, it is stated that negotiations between the Italian Foreign Exchange Institute and the Bank of England have resulted in an agreement to continue the operation of the Anglo-Italian Payments Agreement of April 27th until such time as, owing to the cessation of payments into the sterling account, the machinery comes automatically to a standstill. At that point a considerable value, understood to be in the neighbourhood of an equivalent of £2,000,000, will remain untransferable in the lire account of the Institute. The Italian authorities contend that the principles underlying the agreement were sound, but that the disequilibrium between the two accounts has been due mainly to the failure of many importers in the United Kingdom to transfer their sterling payments into the account of the Bank of England.

Obituary.

CYRIL BEAUMONT RAWLINS.

We record with regret the death, on November 30th, at the early age of 44, of Mr. C. B. Rawlins, M.C., A.S.A.A., Secretary-Treasurer and Past President of the Institute of Chartered Accountants of Nova Scotia. After service in the Royal Field Artillery throughout the period of the War, Mr. Rawlins entered the Corps of Military Accountants in 1919 with the rank of Captain, and later became an Accountant Officer in the Royal Air Force. He went to Canada in 1929, after his admission to the Society of Incorporated Accountants and Auditors, and served for a time as a member of the Council of the Dominion Association of Chartered Accountants.

The Incorporated Accountants' Benevolent Fund.

FORTY-THIRD ANNUAL MEETING.

The 43rd annual meeting of subscribers to the Incorporated Accountants' Benevolent Fund was held at Incorporated Accountants' Hall on December 12th. In the absence of Mr. H. J. Burgess (the Chairman of the Trustees), who was indisposed, the chair was occupied by Mr. W. H. Payne, another of the Trustees, and there were also present Mr. R. T. Warwick, F.S.A.A. (Trustee), Mr. William Strachan, F.S.A.A. and Mr. A. A. Garrett, M.A. (Vice-Presidents), Mr. A. J. Carey, F.S.A.A., Mr. E. Portlock, F.S.A.A., Mr. Sydney H. Robb, F.S.A.A., Mr. R. H. Stafford, F.S.A.A., Mr. J. C. Fay, and Mr. W. J. Freeman.

Mr. PAYNE said: Mr. Henry Burgess, the Chairman of the Trustees, had hoped to take the chair this afternoon, but unfortunately he is kept at home with a slight chill. He has asked me to take his place, and has sent me the manuscript of the remarks he intended to make, which is as follows:—

Before I pass to the business of the meeting I wish to refer to the lamented death of Sir James Martin, who was connected with the Benevolent Fund from its beginning up to the time of his death. I find from the records that a committee was set up in 1891 to consider the initiation of a Benevolent Fund, and for the origin of this Fund we are indebted to our friends the late Sir James Martin and to my two colleagues, Mr. E. W. C. Whittaker and Mr. Arthur E. Piggott. The interest of Sir James in the fund never flagged. His insistence upon the obligation of Incorporated Accountants to their less fortunate brethren and to the dependants and children of deceased members was one which was known to all his friends. The subscribers came into contact with him through the happily worded appeals which he issued each year and at the annual meeting, but I know that he took an interest in the fund week by week.

The total revenue of £1,885 shows an increase of £313 over the previous year. This is satisfactory, and we are indebted to a number of contributors for special donations in connection with the 50th anniversary of the Society. The Trustees gratefully acknowledge the support of subscribers, but I ought to say that the Trustees feel strongly that the area of support to the Fund should be more widely extended. The number of subscribers and donors whose names appear in the list is 1,700, and this is but a small proportion of the Society's membership.

I am indebted to the President of the Society for his co-operation with the Trustees in regard to the Sir James Martin Memorial Fund. It was felt there could be no more fitting object for such a memorial than the Incorporated Accountants' Benevolent Fund. I hope that the memorial fund will not only result in an augmentation of our

investment income but will have the effect of stimulating a number of members to become regular subscribers to the Benevolent Fund.

Our invested funds, I am pleased to say, are on the whole in a satisfactory condition. The Trustees decided to realise the previous holding of $4\frac{1}{2}$ per cent. Conversion Stock, which stood at a substantial premium and was due for repayment in a few years' time.

The number of cases dealt with during the past year was 40—a few less than in the previous year. But I wish to reiterate what Sir James said last year, that with an augmentation of our income the Trustees would be able to deal more liberally than they do now with those who have claims upon them. The rules of the Fund place a limit upon the amount which may be voted in grants. The operation of this rule results in a surplus being shown on the revenue account, which has enabled the Trustees to build up the capital of the Fund. The Trustees have come to the conclusion that this is the proper policy to pursue, as while it is the duty of the Trustees to be as generous as possible, they are equally responsible for the soundness of the Fund, the claims upon which are necessarily uncertain. No part of the sum subscribed is paid for clerical or any services whatever.

I should like particularly to make my acknowledgments to those who have become life subscribers; to the continued support of the South African Eastern and Western Committees; to many of our friends overseas and to the Incorporated Accountants' Lodge of Freemasons who have supported the Fund for so many years.

Mr. Payne concluded by moving the adoption of the report and accounts, which was seconded by Mr. R. T. Warwick, and carried unanimously.

ELECTION OF PRESIDENT.

On the motion of Mr. Payne, seconded by Mr. Warwick, Mr. C. Hewetson Nelson, F.S.A.A., Liverpool, was unanimously elected President of the Fund in place of the late Sir James Martin.

ELECTION OF VICE-PRESIDENTS.

On the proposal of Mr. Sidney H. Robb, seconded by Mr. Eric Portlock, the following were unanimously re-elected Vice-Presidents:—Mr. E. L. Burton, Sir Harry Hands, Mr. Alexander Hannah, Mr. R. P. Phillips, Mr. W. McIntosh Whyte, Mr. Arthur Collins, Mr. William Strachan, Mr. William Paynter, and Mr. A. A. Garrett.

ELECTION OF TRUSTEES.

Upon the motion of Mr. E. Portlock, seconded by Mr. S. H. Robb, the subscribers unanimously re-elected as Trustees Mr. A. E. Piggott, Mr. E. W. C.

Whittaker, Mr. H. J. Burgess, Mr. W. H. Payne, and Mr. R. T. Warwick.

ELECTION OF HONORARY AUDITOR.

Mr. W. Southwood Smith was unanimously reappointed Hon. Auditor and a vote of thanks was accorded to him for his services during the past year.

The proceedings terminated with a unanimous vote of thanks to Mr. W. H. Payne for occupying the chair, moved by Mr. Strachan and seconded by Mr. Warwick.

Report of the Trustees.

The Trustees have pleasure in presenting to subscribers and donors their forty-third Annual Report.

It is with deep regret that the Trustees received intimation of the death of Sir James Martin, which occurred on August 21st, 1935. Sir James was one of the founders of the Incorporated Accountants' Benevolent Fund, a Trustee, and the Hon. Secretary from 1892 to 1920, and President from 1923 until his death. The Trustees record their tribute to the sustained interest of Sir James in all the activities of the Fund.

The revenue of the Fund for 1934-35 amounted to £1,885 11s. 11d., compared with £1,572 10s. 3d. for 1933-34, and the Trustees acknowledge a number of special contributions made in connection with the Fiftieth Anniversary of the Society of Incorporated Accountants.

The grants distributed amounted to £1,215 5s., and the number of cases in which assistance was given was approximately the same as for the previous year.

The particulars are as follows :—

- £5 (in addition to £593 10s. previously granted to her and her late husband) to the widow of a former Fellow in reduced circumstances (now deceased).
- £39 (in addition to £606 previously granted) to the widow of a Fellow towards the maintenance and education of her four children.
- £40 (in addition to £335 previously granted) to a former Fellow who is over 80 years of age and blind.
- £30 (in addition to £330 previously granted) to the mother of an Associate who was killed in action. The recipient is over 80 years of age.
- £50 (in addition to £97 10s. previously granted) towards the education of the children of an Associate whose early death arose through wounds received on Active Service.
- £30 (in addition to £102 10s. previously granted) to the widow of an Associate for the education of her child.
- £32 (in addition to £80 previously granted) to the widow of an Associate for the education of her daughter.
- £15 (in addition to £100 previously granted) to a Fellow of the Society in reduced circumstances.
- £10 (in addition to £80 previously granted) to an Associate of the Society in ill-health, towards the education of his children.
- £15 (in addition to £281 previously granted) to the dependant of a deceased Fellow.
- £43 (in addition to £178 7s. previously granted) for the education of one of the children of a deceased Fellow.
- £25 (in addition to £85 previously granted) to the sisters of a deceased Associate who are in straitened circumstances.
- £20 (in addition to £85 previously granted) to the daughters of a deceased Fellow.
- £39 15s. (in addition to £109 10s. previously granted) to a former Associate in indifferent health.
- £4 10s. (in addition to £108 5s. previously granted) to a former Fellow of advanced age, who was unable to continue practice (now deceased).
- £50 (in addition to £120 previously granted) to the widow of an Associate for the support of her children.
- £30 (in addition to £67 10s. previously granted) to the widow of a Fellow.
- £40 (in addition to £90 previously granted) to the widow of an Associate for the support of her children.
- £30 (in addition to £40 previously granted) to the widow of an Associate.
- £37 10s. (in addition to £62 10s. previously granted) to the widow of an Associate towards the education of her children.
- £40 (in addition to £40 previously granted) to a former Associate of the Society of advanced age.
- £25 (in addition to £25 previously granted) to the widow of an Associate.
- £35 (in addition to £20 previously granted) to the daughter of a deceased member towards her education.
- £50 (in addition to £37 10s. previously granted) to an Associate member in ill-health.
- £25 (in addition to £90 previously granted) to a Fellow of advanced age and failing eyesight.
- £80 (in addition to £20 previously granted) to the widow of an Associate member towards the education of her daughter.
- £32 10s. (in addition to £50 previously granted) to an Associate member in straitened circumstances.
- £70 to a Fellow of the Society whose income has been seriously reduced.
- £40 to the widow of a Fellow in poor circumstances.
- £22 10s. (in addition to £5 previously granted) to a former Fellow of advanced age and in poor health.
- £40 to an Associate in straitened circumstances through unemployment.
- £30 (in addition to £20 previously granted) to a Fellow overseas who has had to relinquish his practice through ill-health.
- £42 to the widow of an Associate towards the education of her two children.
- £37 10s. (part of a grant of £50) to the widow of an Associate for the education of her son.
- £10 (part of a grant of £20) to the widow of an Associate member towards the education of her child.

£10 (part of a grant of £20) to a former Fellow of advanced age.

£10 (part of a grant of £40) to the widow of an Associate left in reduced circumstances.

£20 for assistance in three cases.

The expenses of the Fund have again been confined to the necessary outlays for printing and postage.

The accounts for the year ended September 30th,

1935, duly audited, are annexed to this Report, together with a full list of subscriptions and donations.

Dated this 28th day of November, 1935.

HENRY J. BURGESS
ARTHUR E. PIGGOTT
E. W. C. WHITTAKER
W. H. PAYNE
R. T. WARWICK

Trustees

A. A. GARRETT, *Hon. Secretary.*

THE INCORPORATED ACCOUNTANTS' BENEVOLENT FUND.

Dr.	REVENUE ACCOUNT for the Year ended September 30th, 1935.				Cr.					
		£	s.	d.		£	s.	d.		
To Printing, Postages, &c.	83	15	1	By Annual Subscriptions .. ..	..	869	18	6
" Grants	1,215	5	0	" Life Subscriptions .. ..	..	131	5	0
" Balance, being Surplus for the year				" Donations .. ..	..	428	6	9
carried to Balance Sheet	586	11	10	" Gift of Debenture .. ..	..	25	0	0
						" Dividends on Investments (including				
						Income Tax recovered) .. ..	..	431	1	8

BALANCE SHEET, September 30th, 1935.

	£ s. d.		£ s. d.		£ s. d.
Sundry Creditors	50 0 0	Cash at Bankers—			
Revenue Account—		Current Account		606 9 9	
Balance at Sept. 30th,		Investments at Cost—			
1934	11,306 11 8	£8,650 3½ per cent. Con-			
Add Surplus on Sale of		version Stock	7,800 4 8		
4½ per cent. Conver-		£400 5 per cent. Conversion			
sion Stock	519 15 8	Stock	418 6 0		
	<u>11,826 7 4</u>	£900 4 per cent. Funding			
Add Surplus for year ..	586 11 10	Loan, 1960-90	676 18 6		
	<u>12,412 19 2</u>	£1,262 17s. 4 per cent. Con-			
		solidated Stock	1,000 0 0		
		£500 India 3½ per cent.			
		Stock	533 9 0		
		£484 17s. 4d. Local Loans			
		3 per cent. Stock	466 0 0		
		£200 London County 3 per			
		cent. Consolidated Stock	171 16 0		
		£204 Os. 10d. Common-			
		wealth of Australia 3½ per			
		cent. Registered Stock,			
		1936-37	192 1 9		
		£208 10s. New Zealand 4½			
		per cent. Stock, 1948-1958	200 16 0		
		£300 London and North			
		Eastern Railway 4 per cent.			
		1st Preference Stock ..	246 17 6		
		£150 Society of Incorporated			
		Accountants 5 per cent.			
		Debentures (Gifts) ..	150 0 0		
		Market value of Securities at			
		Sept. 30th, 1935, £13,600 16s. 10d.		11,856 9 5	
	<u>£12,462 19 2</u>			<u>£12,462 19 2</u>	

HENRY J. BURGESS, *Chairman of Trustees.*

I have examined the above accounts, together with the Books and Vouchers, and find the same to be correctly stated. I have also verified the securities of the Fund.

C1 West Smithfield, London, E.C.
December 3rd, 1935.

W. SOUTHWOOD SMITH,
Incorporated Accountant,
Hon. Auditor.

INSTITUTE OF MUNICIPAL TREASURERS AND ACCOUNTANTS.

JUBILEE DINNER.

The Jubilee Dinner of the Institute of Municipal Treasurers and Accountants was held in Guildhall, London, on December 3rd. Mr. F. W. RATTENBURY, F.S.A.A., the President of the Institute, occupied the Chair, and amongst those present were: The Lord Mayor of London (Sir Percy Vincent) and the Lady Mayoress; Lord Macmillan and Lady Macmillan; Sir Kingsley Wood, M.P. (Minister of Health); Mrs. F. W. Rattenbury; Lord Snell (Chairman of the London County Council); Mr. Arthur Greenwood, M.P., and Mrs. Greenwood; Mr. S. Larkin, F.S.A.A. (Vice-President) and Mrs. Larkin; Councillor W. H. Shaw (Lord Mayor of York); Lieut.-Col. and Sheriff J. D. Laurie and Lady Laurie; The Hon. Emily Seely; Major-Gen. Lord Mottistone (Chairman, National Savings Committee); Mr. Geoffrey Shakespeare, M.P. (Parliamentary Secretary, Ministry of Health), and Mrs. Shakespeare; Mr. Arthur Collins, F.S.A.A. (Past-President), and Mrs. Collins; Alderman S. J. Grey (Lord Mayor of Birmingham) and the Lady Mayoress; Col. and Sheriff W. J. Waldron and Mrs. Waldron; Mr. A. E. Cutforth (President, Institute of Chartered Accountants) and Mrs. Cutforth; Mr. R. Wilson Bartlett (President, Society of Incorporated Accountants and Auditors) and Mrs. Wilson Bartlett; Sir Adrian Pollock (Chamberlain of London) and Lady Pollock; Mr. Alfred T. Roach (The Town Clerk) and Mrs. Roach; Mr. John Stopher (Chairman, Bridge House Estates Committee, Corporation of London) and Mrs. Stopher; Sir Henry McAuliffe and Lady McAuliffe; Sir George Chrystal (Secretary, Ministry of Health) and Miss Chrystal; Sir John Jeffrey (Under-Secretary of State for Scotland); Sir Cyril W. Hurcomb, C.B. (Permanent Secretary, Ministry of Transport), and Lady Hurcomb; Sir William Prescott (Chairman, Metropolitan Water Board) and Lady Prescott; Mr. Fred Whittingham (Chairman, Coal and Corn and Finance Committee, Corporation of London) and Mrs. Whittingham; The Lord Mayor of Cardiff (Ald. G. F. Evans); Sir Edward Holland, J.P. (Chairman, Central Valuation Committee); Sir James Curtis and Lady Curtis; Sir Harry G. Pritchard (Secretary, Association of Municipal Corporations) and Lady Pritchard; Sir Henry N. Bunbury (Comptroller and Accountant-General, General Post Office) and Lady Bunbury; Mr. S. M. Johnson (Secretary, County Councils Association); Mr. Arthur J. Lees, C.B.E. (Secretary, Urban District Councils Association), and Mrs. Lees; Wing-Commander Sir Louis Greig and Lady Greig; Major J. W. Hills, M.P. (President, Non-County Boroughs Association) and Mrs. Hills; Sir John R. Brooke (Vice-Chairman, Electricity Commission) and Lady Brooke; Mr. A. A. Garrett, M.B.E. (Secretary, Society of Incorporated Accountants and Auditors) and Mrs. Garrett; Mr. S. H. G. Hughes (Accountant-General, Ministry of Health) and Mrs. Hughes; Mr. Joshua Scholefield, K.C. (Chairman, Railway Assessment Authority), and Mrs. Scholefield; Mr. R. W. Bankes, C.B.E. (Secretary, Institute of Chartered Accountants), and Mrs. Bankes; Sir William J. Board (President, Society of Town Clerks); Mr. John Durham, F.S.A.A. (President, County Accountants' Society); Alderman John Potter, F.S.A.A.; Mr. F. J. Alban, F.S.A.A.; Mr. J. Stewart Seggie, F.S.A.A. (Chief Accountant, Department of Health for Scotland); Mr. John Allcock, O.B.E., F.S.A.A.; Mr. W. Allison Davies, C.B.E., F.S.A.A.; Mr. J. R. Johnson, F.S.A.A.; Mr. R. A. Wetherall, F.S.A.A.; Mr. G. R. Butterworth,

F.S.A.A.; Mr. Edmund Lund, F.S.A.A.; and Mr. D. M. Muir, F.S.A.A.

The PRESIDENT said they were all deeply grieved at the bereavement which had befallen His Majesty the King, and he asked the assembly to stand in silent tribute to the memory of the late Princess Victoria. All rose and stood in silence for two minutes.

LORD MACMILLAN proposed "The Lord Mayor, Sheriffs and Corporation of the City of London." He said that as a son of the manse, he had a text for them: "For which of you intending to build a tower sitteth not down first and counteth the cost?" What an admirable text to be displayed over a town hall! They had no less than six Lord Mayors, twenty-five Mayors, two Lord Provosts and two Provosts to greet the Lord Mayor of London, to whom all tendered best wishes for a successful year of office.

The LORD MAYOR OF LONDON (Sir Percy Vincent), responding, said the City was proud of its officials, and especially of its treasurer and accountants—second to none in their standing and ability. The members of the Institute followed a calling which, above all others, involved great trust. The Institute, founded in 1885, encouraged research, and they knew that they could learn by the experiences of the past. In the City of London a few centuries ago the treasurer performed the duties of the City Chamberlain of to-day, and as the holder of the office of purse-bearer, his pay amounted to £10 per annum; while the clerk, who held a similar position to that of Controller to-day, had a salary of £5; and the Recorder was paid £15. With the salaries so low, it was no wonder that the Court of Aldermen appointed two accountants to act as auditors. In 1335 the Chamberlain brought in his account showing receipts £626 9s. If a very small amount was spent in salaries a greater amount was expended in presents to the Archbishop of Canterbury and Law Courts officials at Westminster, and, in fact, anybody and everybody who was in a position to help the City. Nothing was paid for cleaning or repairing or other public service. The total expenditure was £618 17s. 1½d. So there was a balance of £7 in hand—a model to all good treasurers. He was delighted that so important a body as the Municipal Treasurers' Institute was able to hold its banquet at the Guildhall.

The PRESIDENT read the following letter from H.R.H. the Duke of Kent, who was to have been their guest of honour: "I much regret that I have been unavoidably prevented from being present at your dinner this evening. I had looked forward to being able to propose the toast of the Institute and to congratulate you on the celebration of the fiftieth anniversary of your foundation. Although I am unable to do this in person, I should like to wish the Institute of Municipal Treasurers and Accountants a great success in the future." We in this country, added the President, owed a deep debt of gratitude to the Royal Family for their constant encouragement in every direction, and the letter he had just read was another example of this.

Sir KINGSLEY WOOD, Minister of Health, submitted the toast of "The Institute of Municipal Treasurers and Accountants." He said it was some fifty years since sixteen gentlemen met in Manchester and decided to form the Institute of Municipal Treasurers and Accountants, which to-day was a powerful factor in local government administration with a great record of public service. It continued to exercise a profound influence in local government finance, and, what he regarded as equally important, the training of the financial officers of the future. The Institute exercised considerable influence on the Govern-

ment. He had never known the Institute lacking in impressing upon the Government in power the imperative need for continual Government assistance. (Laughter.) It certainly had been most successful in that direction. Fifty years ago the Exchequer contribution was about 13 per cent. of the total charge of about 29 millions. To-day, thanks to the efforts of the local authorities—and by no means least, the officials represented there that night—that figure had grown to 45 per cent. of a charge to public funds of some 270 millions per annum. That was a wonderful achievement. What a pity it was that the Chancellor of the Exchequer was not present to give them due credit. (Laughter.) In the last fifty years, during the life of the Institute, the expenditure of the local authorities had increased by no less than from £50 millions to £500 millions per annum. They looked to the treasurers and accountants to see that the ratepayers and taxpayers got good value for their money. He was gratified to know that in very many respects the local authorities were taking all the steps that were desired with regard to this increased expenditure. He wished to thank them on behalf of the Ministry of Health for all the work that they had done, particularly in connection with his own department. He desired to record a real meed of praise for the work of the treasurers and accountants in regard to the Housing Act of 1935, and was glad to announce that there was further considerable work in which he was looking for their help. Some of them would have heard of a very famous formula for the distribution of what was called the block grant. It was a thing most fearfully and wonderfully made, and he was looking to the officials of the local authorities to give him some guidance and some strength in the revision which would shortly have to take place. In a few months' time he hoped to receive their criticisms and suggestions in that particular direction. Speaking as a Minister of the Crown, he knew what a great debt we all owed to the civil service of the country. Its integrity, loyalty and ability were second to none, but he thought that the nation was sometimes unaware, and was often likely to overlook the services of the same high quality, which were rendered by the officers who served the local authorities. Those local authorities were the first line of defence of democratic government in this country; we had no love for dictators, and it was largely due to the work of the local authorities and their officers that our local democratic system was strong and stable. He associated with the toast the name of the President, Mr. Rattenbury, who was the financial officer of a great municipal authority.

The PRESIDENT, Mr. F. W. Rattenbury, F.S.A.A., in replying, said it was the duty of the Institute to see not only that the traditions of the past were maintained, but that the Institute remained fully equipped to render that service which the local authorities and the public departments were entitled to expect of it. Whilst policy was for the determination of the members of the local authorities, they were entitled to rely on their financial officers for sound advice on the financial aspect of any problem. They hoped that the assistance they had endeavoured to give to State departments, who for many years had adopted the practice of conferring with them, had been of some value. He was mindful of the fact that they were assembled in the Guildhall of the City of London—the financial centre of the world—and he thought he might say that the public officer of to-day was not devoid of what, for want of a better term, he might call the commercial instinct. Of the sixteen original members of the Institute they still had two with them—Mr. John Elliot, the first honorary secretary and real founder; and Mr. T. G. Milner. He was sorry to say they were not

able to attend the dinner, and he was sending them the greetings of the members.

Mr. ARTHUR COLLINS, F.S.A.A. (Past President), proposed "The Guests."

LORD MOTTISTONE, whose connection with the National Savings Movement was referred to by the proposer, in reply, said it was true that he was trustee of a branch of national savings that totalled 503 millions. The National Savings Certificates and the Post Office and Trustee Savings Banks represented a huge sum unparalleled in any country, including the United States of America. He believed it was because we had great traditions of integrity and honesty so well represented by treasurers and accountants, municipal and other, that there was that trust which made our public savings greater than those of any country in the world.

LORD SNELL, Chairman of the London County Council, proposed the health of the President, which was duly honoured and acknowledged.

Society of Incorporated Accountants and Auditors.

MEMBERSHIP

The following additions to and promotions in the Membership of the Society have been completed since our last issue:—

ASSOCIATES TO FELLOWS.

BRAHMAYYA, PARVATANENI, B.A. (Brahmayya & Co.), 121, Armenian Street, Madras, Practising Accountant.

HILLYARD, ARTHUR STANLEY, Borough Treasurer, Town Hall, Bournemouth.

ASSOCIATES.

ARMITAGE, GEOFFREY LLOYD, with Ernest B. Shaw, Imperial Chambers, 43, New Street, Huddersfield.

EVANS, WALTER, formerly with Bradley & Slater, 584, Christchurch Road, Boscombe, Bournemouth.

FORSTER, STANLEY OSCAR, with J. A. Kinnear & Co., 3-4, College Street, Dublin.

GAMBLE, ERNEST JOHN, with H. Menzies & Co., Fife House, Fife Road, Kingston-on-Thames.

GILL, THOMAS, formerly with Auker, Horsfield & Co., 21, Forster Square, Bradford.

MUCADUM, CHANDABHOY RUSTAMJI, B.Com., formerly with S. B. Billimoria & Co., 113, Esplanade Road, Fort, Bombay.

PRINCE, RONALD, with Ernest A. Prince, 23, St. Mary Street, Cardiff.

TYLER, FRANK ANDREW, with Trevor Davies & Co., 160, High Street, Camden Town, London, N.W.1.

Changes and Removals.

Messrs. Bobart, Baskett & Co., Incorporated Accountants, Salisbury Chambers, 65-66, Basinghall Street, London, E.C.2, have admitted into partnership Mr. C. H. Bryant, A.S.A.A. There will be no change in the name of the firm.

Mr. K. W. Buckley, Incorporated Accountant, announces that he has acquired the practice of Mr. D. F. Macleod at 45, Fleet Street, Torquay, and that from January 1st he will practise at that address under his own name.

Mr. H. W. Marshall, Incorporated Accountant, has commenced to practise at Manor Place, Guernsey (C.I.).

Messrs. Stanley F. Stephens & Co., Incorporated Accountants, have removed their offices to Martin Chambers, 28, Martin Lane, Cannon Street, London, E.C.4.

Mr. W. D. Taylor, Incorporated Accountant, has removed his offices to 10, Easton Street, High Wycombe.

THE CITY OF LONDON COLLEGE

Prize Distribution.

The eighty-seventh annual Distribution of Prizes of the City of London College took place at Guildhall, on December 10th. Among those present were: The Lord Mayor (Sir Percy Vincent); Col. J. D. Laurie and Col. W. J. Waldron (Sheriffs); the Master of the Rolls (Lord Wright); Lord Plender (Chairman of the Governing Body); Lord Amulree; Lord Herbert Scott; Sir George Truscott; Sir Lulham Pound; Archdeacon E. N. Sharpe, M.A.; Dr. P. M. Evans; Mr. A. E. Cutforth (President of the Institute of Chartered Accountants); Mr. Walter Holman and Mr. A. A. Garrett (Vice-President and Secretary, Society of Incorporated Accountants and Auditors); Mr. G. R. Freeman, F.C.A. (Chairman of the Finance Committee); Mr. Edward Wilshaw; and Mr. J. W. Ramsbottom (Director of the College).

The Lord Mayor said that the College performed a valuable service in providing educational opportunities for young men and women employed in the City. The College included amongst its Governors many men who were both well known and highly respected in the City, this being especially true, of the present Chairman of the Governing Body, Lord Plender, who for many years and in many capacities had rendered invaluable service to the City and to the State. He hoped that the training afforded by the College would contribute in future years to the maintenance of the commercial and financial prestige of the City of London.

Mr. J. W. Ramsbottom, M.A. (Director of the College) in the course of his report on the work of the previous session, said that the College had suffered a grievous loss in the death of Sir Arthur Maxwell, who had been a Governor for twenty-four years and for a short time the Chairman of the Governing Body. The session had been eventful and very successful. The volume of the work had increased, and its quality had received a fine tribute from the Inspectors of the Board of Education, who, in co-operation with other outside experts, had made a searching inspection of its work. The Inspectors expressed their great satisfaction with the work of the College, and expressed the hope that, before the College was next inspected, it would be housed in a building more in keeping with its reputation. For his own part, he had no doubt that what the College needed was a replacement of the present jumble of old buildings in a side street by one larger building whose position and appearance both externally and internally would be worthy of the work and of the name of the City of London College—a building large enough to provide ample accommodation for the existing work and for the social and recreative activities, which in some respects were just as valuable educationally as the more formal instruction. He would like to have room to supplement the purely vocational instruction by non-vocational and cultural classes on subjects akin to much of the present work, but more definitely related to the problems of government and citizenship. This object would involve, however, a capital expenditure far beyond the unaided resources of the Governors, and all that he could say then was that they were giving the matter their most careful consideration.

Throughout each week about three thousand young men and women attended the College, many of them for three and even more evenings, after a hard day's work, with the possibility of having to spend two other evenings on the necessary individual reading and homework. In conclusion, Mr. Ramsbottom paid a tribute to the loyalty and devotion of the teaching and administrative staffs of the College.

Lord Wright (the Master of the Rolls), who distributed the awards, stressed the importance of education in commerce. Referring to the College's courses on advertising, he said he had no idea how systematic and scientific the art of advertising had become, or how the psychology of creating attention and suggestion had been reduced to subjects of study.

A vote of thanks was accorded to Lord Wright on the motion of Lord Plender, seconded by Lord Amulree, and a similar vote to the Lord Mayor, the Sheriffs and the Corporation on the motion of Lord Herbert Scott, and acknowledged by Alderman Sir George Truscott, who acted as Chairman during the latter part of the proceedings.

OLD STUDENTS' ASSOCIATION.

The Chairman of the Old Students' Association is desirous that past students of the College with whom he may not be in communication should know that an opportunity of renewing old associations will be afforded on January 25th, when a dinner and dance will be held at the Leathersellers' Hall, further particulars as to which he will be pleased to supply on application to him at the College.

ADVICE TO MANUFACTURERS AND TRADERS.

At a private luncheon held last month, Dr. Leslie Burgin, M.P., Parliamentary Secretary to the Board of Trade, drew attention to two directions in which, in the light of his own experience, accountants could give special help to the organisation of the country's trade and industry. Dr. Burgin said he felt bound to refer to the fact that many of those responsible for the direction and management of industrial undertakings, even in these days, were unaware of the exact position of affairs in regard to the finance, costs and production of the undertakings they controlled. There still seemed to be a large element of haphazard, of chance and of surprise. He did not make this as a general statement, but it undoubtedly applied in a larger degree than was commonly believed. Another important fact which had impressed itself upon him was the extent to which Christmas arrived upon industry unawares and thus special orders and production for the Christmas trade were frequently concentrated in the months between August and December, instead of being spread throughout the year. The result was that in many trades there was high pressure of work in the busy months, and customers had difficulty in obtaining sufficient supplies and delivery. In the remaining months of the year these trades were comparatively slack. This had a bad effect upon the regularity of employment and led to considerable increase in the cost of the articles produced. Dr. Burgin gave as an illustration the cardboard box trade. The remedy was in the hands of the manufacturers and the customers themselves, and he hoped that accountants would press upon their clients engaged in such trades the need of giving this question serious consideration. An element of skilled calculation would greatly assist, and in this double task of analysis and figures accountants could play a useful part.

Mr. C. A. Milford, Incorporated Accountant (Messrs. Milford & Co.), Blackburn, gave a broadcast of stories on Christmas Day on the North Regional wavelength. This was Mr. Milford's third broadcast.

Mr. Thomas L. Judd, C.B.E., F.S.A.A., has been elected to the Court of Common Council of the Corporation of London for the Bridge Ward.

Trusts and Trustees.

A LECTURE delivered to the Leicester and District Society of Incorporated Accountants at Northampton by

MR. EDWARD WESTBY-NUNN, B.A., LL.B.,
Barrister-at-Law.

MR. WESTBY-NUNN said: It is generally assumed by accountancy students that all trusts are connected more or less directly with a person's death, and I am anxious at the beginning of this lecture to dispel this illusion. I shall, therefore, deal very briefly with the different kinds of trusts that may exist.

DIFFERENT KINDS OF TRUSTS.

1. *Express Trusts* are those trusts which are expressly created by the declaration of the settlor. They may be created by deed, by ordinary written declaration, by will or even verbally. Most of you are familiar with the trust which is created by will; but possibly you have not made the acquaintance of the trust which is created by deed. These trusts are created for many reasons. There is, for instance, the trust created by the parties to a marriage. Usually the property of the parties to the marriage is conveyed by deed to trustees to be held in trust for the husband for life, subject to an annual payment to the wife, with remainder to the children of the marriage. Then there is the trust which is created for the benefit of creditors—the deed of arrangement. Do not forget that that is a trust: as much a trust as the trust which is created by will.

2. *Statutory Trusts* are trusts which are created by statute or Act of Parliament. You are all familiar with one example—the trust which comes into operation when a man dies intestate under the Administration of Estates Act, 1925. There are other species of statutory trusts, but with these I do not intend to bother you.

3. *Implied Trusts* are not expressly created by a settlor. They are implied by operation of law. Where, for instance, a promoter makes a secret profit out of his office he is by implication a trustee of it for his principal. There is, however, a more important instance of the implied trust than this.

Where a man buys property with his own money, and has it conveyed, not to himself, but to some other person (other than his wife or child), it is presumed that this person is intended to hold the property in trust for the man who bought it. For this reason, where an employer has shares registered in the name of an employee there is a presumption that the employee is intended to be a trustee of the shares.

You will see, then, if you examine the summary I have just completed, that by no means all trusts are created by will or are connected with a death.

I have stated generally that express trusts may be created by verbal declaration or in writing. There are, however, two cases in which a verbal declaration will not suffice.

(a) Where the property to be settled is land or an interest in land the declaration of trust must be *in writing*; and (b) where the trust is to come into effect on the death of the settlor the declaration must be *in the form of a will*, i.e., it must be in writing signed and attested in accordance with the requirements of the Wills Act.

Some interesting cases have arisen as a result of this last rule. Suppose, for instance, that a certain testator by will gives £5,000 to his friend X, and that after the testator's death a letter is found addressed to X in which the testator states that it is his intention that the £5,000 shall be held in trust for Y. In general, the letter may be ignored since it is not in the form of a will. But to this

general rule there is an exception, for if before his death the testator had told X about his intention, equity will compel X to carry out the trust although the letter does not satisfy the requirements of the Wills Act. In that case only, however, will such *secret trusts* be enforced.

All trusts are either good *private trusts* or else good *charitable trusts*. The private trust must benefit particular individuals. The charitable trust must be (a) for the relief of poverty, or (b) for the advancement of education or religion, or (c) for the public benefit.

A great many cases turn upon these definitions. For instance, only the other day an old lady by will left her house to her niece for life with remainder to the Sunderland Temperance Society to be used by the Society for a temperance hotel. Her relatives challenged the validity of this bequest and challenged it successfully. They contended that it was not a good private trust as it was not for the benefit of particular individuals, and that it was also not a good charitable trust. The Court agreed, since it was not for the relief of poverty, or the advancement of education or religion, or the public benefit. The trust was, therefore, void, and after the death of the niece the house went to the testatrix's relatives as upon an intestacy.

There are, as I have said, many cases on this point. It has been held, for instance, that where money is left in trust to provide a cup to be competed for by the pupils of a school in a mile race, there is a valid charitable trust—for the advancement of education; but where a cup is to be provided for the members of a golf club the trust is void since it is not for the relief of poverty, emphatically not for the advancement of religion or education, and not for the public benefit. It has also been held that if money is left in trust to be applied in keeping a tombstone in repair, the trust is charitable if the tomb is inside a church, since this is for the advancement of religion, but is void if the tomb is in a churchyard.

Before leaving this part of my subject I want to say a few words on what are sometimes called "precatory trusts." These are trusts which were at one time implied by words expressing the wishes of a testator. If, for instance, a testator by will bequeathed certain property to A "in the expectation that he will share it with his brother," at one time the Court might have held that A was intended to hold the property in trust for himself and his brother. Such a trust would have been a *precatory trust*. For some time, however, it has been the practice of the Courts to refuse to hold that a trust is implied by precatory words. In a recent case a testator gave his residuary estate to his two brothers, and expressed a desire that when they died it should be passed on to their children. The Court held that no trust in favour of the children was created.

DUTIES OF TRUSTEES.

I have shown you, I hope, that the trust is not by any means necessarily connected with a will or an intestacy; and that there are numerous trusts which are not part of what is generally known as "executorship law." Next I propose talking a little about the powers and duties of trustees in general.

The duties of a trustee are the things he *must* do, whether he thinks it is proper or not. His powers are the things he *may* do at his discretion. His duties are fixed partly by the express terms of the trust instrument and partly by the rules of equity. The most important of these duties are as follows:—

1. It is the duty of every trustee to preserve the trust property by obtaining possession of the trust assets and, in the absence of contrary directions in the trust instrument, by selling such assets as are not authorised securities and investing the proceeds in authorised securities.

You are all aware, I think, of the rule in *Howe v. Lord Dartmouth*. In that case it was held that where *by will* a testator leaves the *residue* of his estate to *two or more persons in succession* it is the absolute duty of the trustees to sell any part of the residue which consists of *wasting, hazardous or reversionary personally*, and to invest the proceeds in authorised securities; but I want to remind you that the will may, and often does, exclude the operation of the rule.

The will may, moreover, give the trustee "power to postpone" the date of the sale. In such a case, although the trustee has a duty to sell, he also has a power which he may exercise at his discretion, to put off the date of the sale.

It is important to note that where a power is given to a trustee, he must exercise it with care. If he does not he will be guilty of a breach of trust. For example, if a trustee were to put off the date of sale of wasting assets so long that it were to become impossible to realise without considerable loss, and were the Court to hold that no reasonable man of business would have acted in such a manner, the trustee would be liable for the loss in spite of his express power to postpone the sale. It is important also to note that though in general the trustee is protected if he invests trust funds in any of the securities authorised by the Trustee Act, 1925, the will may exclude any of the named investments. If, for instance, a pacifist testator were to forbid his trustee to invest in British Government securities until the navy and the army were abolished, and the trustee were to ignore this prohibition, he would be guilty of a breach of trust and liable for any loss caused by the depreciation of the forbidden investments.

2. It is the duty of the trustee to pay the income and the capital to the persons respectively entitled to them, and if either person receives more than is his due, the trustee is liable to the other person for the deficit. For this reason in any case of doubt the wise trustee applies to the Court for directions.

It is also worth noting in this connection that where a trustee commits a breach of trust at the instigation or request of a beneficiary, the Court may impound the beneficiary's interest and order it to be applied in indemnifying the trustee. A similar order may also be made where, though the beneficiary did not instigate or request the breach, he assents to it subsequently *in writing*.

3. It is the duty of the trustee to refrain from making any profit for himself out of the trust. A trustee is not entitled to be remunerated for his services except in the following cases:—

- (a) Where the trust instrument expressly authorises him to make a charge;
- (b) Where before accepting office the beneficiaries being all *sui juris*, have agreed to pay him;
- (c) Where the Court awards remuneration in exceptional circumstances;
- (d) Where the trustee is a trust corporation appointed by the Court.

There is one case in which one of a number of trustees was a solicitor. It was necessary to take legal proceedings for the trust, and the other trustees authorised the solicitor to do the necessary legal work at the usual fees. The Court allowed the remuneration in this case; but it is very doubtful whether the principle will be extended. Where, for example, one of the trustees is an accountant, I doubt if remuneration would be allowed for accountancy work by the Court even though the work were authorised by the co-trustees, as in *Craddock v. Piper*.

4. It is the duty of the trustee not to buy any part of the trust property *from his co-trustees* without the leave of the Court. This rule is so strictly applied that where,

after ceasing to be a trustee, a trustee bought trust property, and there was evidence that the trustee had resigned his office with a view to buying the property, the Court held that the sale was void.

A trustee may, however, buy the share of a beneficiary without the leave of the Court. It should be remembered that a contract between a trustee and a beneficiary is deemed to have been made by undue influence until the contrary is proved. If, therefore, a trustee wishes to buy *from his beneficiary*, he should see that the beneficiary is independently advised.

POWERS OF TRUSTEES.

These then are the principal duties of trustees in general. Among their powers are the following:—

1. Under the Trustee Act, 1925, every trustee—including, by the way, a trustee under a deed of arrangement—has power to employ agents, to delegate his duties in connection with trust property situated abroad, and in the event of his remaining out of the United Kingdom, to delegate his duties during his absence. It should be noted that whereas the trustee is liable for the defaults of the person to whom he delegates his duties during absence abroad, he is not liable for the defaults of agents appointed to perform specific acts.

It is, however, necessary once more to bear in mind that the powers which are given to a trustee must be exercised by him with care. If, therefore, a trustee were to employ as agent an improper person knowing that he was unsuitable, although the trustee would not be liable for the defaults of the agent, he would himself have committed a breach of trust by employing such a person, and could be sued in respect of loss resulting from that breach.

2. Under the Trustee Act, 1925, a trustee has power to use the income of a trust fund for the maintenance and education of *infant* beneficiaries, and this he may do although the infant in question has only a contingent interest in the trust fund.

The distinction between a vested and a contingent interest is not always an easy one to draw. If property is left in trust for A "if he attains the age of 25," A has only a contingent interest. In this case, while A is still an infant, that is to say while he is still under 21, the trustee *may* at his discretion pay to him the income of the trust fund for his maintenance and education, but the capital must not be paid to A until he attains the age of 25. When, however, he attains the age of 21, although he still has only a contingent interest in the fund, he is entitled to the income until either he attains the age of 25 and becomes entitled to the capital as well, or until he dies under that age. In other words, while A is still an infant the trustee *may* pay the income for his maintenance; but after A attains the age of 21 the trustee *must* pay the income.

On the other hand, if property is left in trust for A "to be paid to him when he attains the age of 25," A has a vested interest although the date of payment is postponed. In this case the position of the trustee is the same as that in the case of a contingent interest except that when A attains the age of 21 he may, if he thinks fit, put an end to the trust and demand the capital as well as the income. These points I find are not usually appreciated.

Time does not allow me to mention the many other powers which are given to trustees by the Act, for I am anxious before concluding this lecture to say a little about breaches of trust and the liabilities of trustees.

BREACHES OF TRUST.

There is a fairly general idea that any man who commits a breach of trust does something scandalous, and I am anxious to dispel this notion once and for all. A breach

of trust is committed wherever a trustee (a) fails to carry out the duties imposed upon him by the Act and the trust instrument, or (b) exercises any of his powers without taking proper care. A breach of trust may be fraudulent; but it may, on the other hand, result from the highest motives as, for instance, where a trustee invests trust funds in unauthorised securities honestly intending to benefit the beneficiaries.

Every trustee is liable for his own breaches of trust in respect of trust property he has in fact received or ought to have received. He is not, however, liable for breaches committed by a co-trustee unless his own breach of trust renders the co-trustee's breach possible. Where one trustee permits his co-trustee to receive trust moneys and the co-trustee makes off with them, only the co-trustee is liable; but if the co-trustee is allowed to retain the trust moneys for an unreasonable length of time, both trustees would be liable.

Where several trustees are liable for a breach of trust and one only is sued, he may call upon the other trustees to contribute towards the amount of the liability except where the trustee who is sued could be required to indemnify the other trustees. This liability to indemnify other trustees arises in the following circumstances:—

- (a) Where the breach of trust is fraudulent;
- (b) Where the trustee, who is called upon for the indemnity is also one of the beneficiaries, in which case he must indemnify the other trustees out of his share of the trust fund;
- (c) Where one of the trustees is a solicitor and the others have acted on his advice.

In general, the liability of a trustee for a breach of trust is statute-barred after the expiration of six years. The period begins to run from the date of the breach where the person suing had an interest in possession at that date; but where at the date of the breach the person suing had an interest in remainder, the period does not begin until this person's interest falls into possession.

If, therefore, T holds property in trust for A for life with remainder to B, and T commits a breach of trust in 1920, A cannot sue after 1926, but B can sue until six years have elapsed from the date of A's death.

It is important to note, however, that if the breach of trust is fraudulent or the trustee has converted trust property to his own use, the beneficiaries' right to sue is never statute-barred.

TRUSTEES OF LAND.

In conclusion, may I take the opportunity for emphasising a point which may surprise some of you. I have spoken to you to-night about the rights of trustees and described to you briefly the different kinds of trusts. I have dealt with the matter in the manner in which your examiners apparently wish it to be dealt with; but I have not dealt at all with one very important branch of the subject—trusts over lands. This branch of the law is never taught to accountancy students, for some reason, and yet it is of extreme importance. It may surprise some of you to learn that the position of a trustee of land is very often totally different from that of a trustee of shares, and that many of the powers which are enjoyed by trustees of shares are vested in the tenant-for-life of settled land. According to your examination syllabus, the subject of "trustees" is one of the subjects on which you may be examined. The syllabus does not by implication exclude trusts of land, and though your examiners appear to construe the reference somewhat narrowly, it would not surprise me if one of these days there appears in your papers a question on the Settled Land Act, 1925. But perhaps we had better remind ourselves that sufficient unto the day is the evil thereof.

Incorporated Accountants' District Society of Yorkshire.

ANNUAL DINNER.

The dinner of the Incorporated Accountants' District Society of Yorkshire was held at the Great Northern Station Hotel, Leeds, on Wednesday, December 4th. Mr. OSWALD COOPE (President of the District Society) was in the chair, and over 100 members and guests attended. Among those present were the Deputy Mayor of Leeds (Councillor Frederick Leach), His Honour Judge Frankland, His Honour Judge Stewart, Mr. Fred Woolley, J.P. (Member of the Council, Society of Incorporated Accountants and Auditors), Mr. E. E. Edwards, B.A., LL.B. (Parliamentary Secretary), Mr. Thomas Thornton (Town Clerk, Leeds), Mr. Ronald Adgie and Mr. J. E. Waring (President and Secretary, Leeds Society of Chartered Accountants), Mr. Harold Lister (Secretary, Leeds Chamber of Commerce), Mr. F. J. F. Curtis (Hon. Solicitor, Leeds Chamber of Commerce), Mr. F. W. Gillespie and Mr. H. E. C. Clegg (President and Secretary, Leeds Law Society), Mr. Lewis H. Pratt and Mr. H. C. Wood (President and Secretary, West Yorkshire Branch Chartered Institute of Secretaries), Mr. E. G. Spater (President, Insurance Institute of Yorkshire), Mr. W. J. Ball (City Treasurer), Mr. C. Bullwinkle, Mr. T. W. McLeod and Mr. R. H. Lee (Inspectors of Taxes), Mr. R. W. R. Kerr-Smith (Manager, Barclays Bank Ltd.), Mr. C. A. Andrews (Manager, Midland Bank Ltd.), Mr. O. D. Hamer (Manager, Lloyds Bank Ltd.), Mr. F. W. Tidswell (Manager, Martins Bank Ltd.), Mr. E. H. Rushton (Manager, Yorkshire Penny Bank Ltd.), Mr. H. Clifford Bowling (Official Receiver of Leeds), Dr. G. H. Austin (Principal, Leeds College of Commerce), Mr. G. Guest (Director of Education), Councillor J. Barlow (Mayor of Huddersfield), Mr. Horace Marshall (Stipendiary Magistrate), Mr. Edward Tetley (Leeds Chamber of Trade), Mr. C. L. Townend (President, Bradford Society), Mr. C. P. Lister (Secretary, Hull Society), Mr. W. A. Nixon (President, Manchester Society), Councillor H. Cunningham (President, Sheffield Society), Mr. J. W. Richardson (Secretary, Sheffield Society), Mr. T. W. Dresser (Secretary, Yorkshire Society).

HIS HONOUR JUDGE STEWART, who proposed "The City of Leeds," spoke of the origins of Leeds and summarised its growth from the time of the reference in Domesday Book to the present day. The City's prosperity, he said, came with great rapidity, and brought with it a diversity of trades. While most of his hearers would agree that there was still a good deal to do with regard to Leeds, they should remember that a great deal had been done in the past. In spite of the burden of taxation, public-spirited men and women had dipped their hands very deeply into their pockets in the interests of the continued welfare of the General Infirmary.

THE DEPUTY LORD MAYOR OF LEEDS (Councillor Frederick Leach), responded. Speaking as one who was proud of his native city, he said Leeds was pre-eminent, not so much for its manufactures, great as they were, or for the amount of money made in the city, great as it might be, but for its men and women. Leeds owed very much to its professional men. During the last 20 or 30 years there had been wonderful changes in accountancy. Would it have been possible twenty years ago to make up wages for 4,000 workpeople to Wednesday night, and have those wages entered with all their deductions and allowances, and then paid on Friday? The big municipal enterprise with which he was connected did that quite easily and comfortably by the aid of advice received from

professional men. They had been shown how to do it. At one time it was almost unbelievable that a big concern could ask its accountant or book-keeper, as he was called in those days, for an account of a definite kind showing the progress of that business during the preceding twelve months, and expect him to provide it within a limited period of seven days, including all stocktaking and all details of financial arrangements. Yet this could be done in Leeds for a department with a turnover of nearly one and a quarter millions per annum. Those figures were available within a very short time of the end of the half-year, and it was only done because of the advice and assistance received from professional men.

HIS HONOUR JUDGE FRANKLAND, who submitted "The Society of Incorporated Accountants and Auditors," said that up to two years ago he had a somewhat varying regard for members of their distinguished Society. It so happened that over a course of years he was associated professionally with a number of cases which involved the very close attention and attendance of members of their learned profession. He confessed that sometimes he thought they were most able, most truthful, and most distinguished witnesses, and he bestowed the same sort of regard upon his friend, Mr. Adgie, and many other persons present, whom, oddly enough, he found later in his professional view to be completely wrong. (Laughter.) The reason was, of course, that on a subsequent occasion they were giving evidence for the other side. (Renewed laughter.) Now that had completely changed. For the last two years he had been hearing them without any preconceived opinion. He had listened to their views, he had given to what they said the attention it deserved, and in the end he probably referred the matter to his learned registrar for inquiry and report. (Laughter.) Let them not be under any misconception. He was not in doubt for one moment concerning the excellent qualities of those gentlemen who, on varying occasions, appeared on different sides. They did their job extraordinarily well, and they usually succeeded in mystifying everybody who heard what they said. (Laughter.) He had another pleasure in being there that night, because, he gathered from Mr. Dresser, it was the Jubilee Year of the formation of their Society, and, therefore, to them, it was a year of great moment and, looking back, must be also a matter of great pride. It was right that they should have a pride in their profession. It was right that they should have a pride in their professional organisation, because he was certain that whether a man was a doctor, a surgeon, a lawyer, an accountant, or whatever profession he was a member of, it was right that he should belong to the body of members who formed an association or district of that profession. (Hear, hear.) He was convinced that membership of a professional body conferred inestimable benefits on the particular member himself and that, as a matter of reaction and correlation, his membership conferred enormous benefits on his fellows. He gathered their numbers were increasing in the last 50 years. His researches had been extremely scanty, but so far as he had been able to discover it seemed to him that the first person in the world's history who was worthy of the name of accountant was their old friend Noah, but unfortunately his proficiency in accountancy ended with the figure 2. (Laughter.) To be more serious, he was more and more impressed as years went by with the enormous importance of the accountancy profession, and with the value of the work they did. He was wondering during the last few days exactly why that was so, and what was, as they would say, the analysis of the situation. It seemed to him that the benefits should be divided into two great streams. First of all, if they

were working for someone there was the benefit they conferred on their employers, that is, the people who appointed them as their accountants or auditors, and secondly there was the other stream, the benefit they conferred on the general public. A matter that always impressed him was the research they had made into the method and conduct of business, generally referred to under the generic title of "costing." Costing was really important, and the advantage of a proper system of costing was obvious to anybody. We were all blessed with an innate conservatism, and if our fathers made money by selling a certain article or producing a certain line of goods, the temptation was always to do the same sort of thing. Members of their profession inquired into this, and, if necessary, put the business community right. He thought that the ultimate value of the costing system was that they were able to advise the business community on the exact direction in which progress should be made, the direction which it should take, and whether or not, making the ordinary allowance for human risk, that progress would be properly maintained in the future. In that way they conferred an enormous benefit on the community. The other benefit they conferred was on the public. He supposed that never in the world's history had there been such an enormous development in commerce and the commercial outlook generally as there had been in English public life during the time that their Society had existed. If one could look back and see the balance sheets of companies or partnerships which existed 50 years ago, it would be a remarkable thing, outside the railway companies, to find many commercial undertakings with a capital over a million. Now they were commonplace. Those "ancient" people, the widow and the country parson, knew nothing at all about business. They were completely lost, as he was lost, in the mysteries of a modern balance sheet. But, nevertheless, they subscribed readily and trustfully to the capital of projected commercial undertakings in England. Why was that? He believed that one of the most important factors which led those people, who were typical examples of the innocent investing public, was the fact that they saw attached to every prospectus a certificate signed by an accountant. They had learned on perfectly good grounds that if they saw a certificate signed by an accountant they could rely on the truth of the statement therein contained, and the good faith, at any rate, of the company which was asking for capital. It seemed to him that that was a matter for enormous congratulation to them and an enormous asset to the whole English world. It gave a feeling of confidence and security, and in no small measure that was due to accountants. He had been particularly pleased in the last few years to see how they had welcomed legislative changes, and the interpretation by the Courts of the duties of auditors, all of which seemed to him in some way to put more responsibility on them. (Applause.)

Mr. FRED WOOLLEY, J.P. (Member of the Council), responded to the toast. After expressing regret that Mr. R. Wilson Bartlett, the President of the Society, was unable to be present, Mr. Woolley said reference had already been made to the fact that the Parent society had celebrated its fiftieth anniversary. When he told them that the Yorkshire Society was founded in 1894 and had, therefore, been in existence for 41 years, they would appreciate that in the very early years after the formation of the Parent Society, Yorkshire was alive to its responsibilities and took the necessary steps to play its full part in the development of their profession. Their membership was growing very satisfactorily. He found that, according to his records they had 314 members, and 241 student members. That indicated a virility

which was all to their credit, and though they rejoiced in the fulsome title of the Yorkshire District Society, the fact remained that there were other District Societies in Yorkshire that carried the names of their own towns. It was pleasing to recall that this District Society carried off the first place in honours at the Society's examination in May, 1934. That indicated the deep interest they took in the welfare of the students, and the care with which they saw that those students were encouraged to take the right steps in preparing for their examinations. He found in one or two directions that practising members did not appreciate the value to them, at any rate, of the lectures. One could understand that after a hard day's work attendance at an evening lecture on a professional subject might not be enticing, but at the same time he wished to throw out the suggestion that if from time to time practising members would put in an appearance at the lectures which were primarily for the benefit of students, they would give encouragement to the students as well as to the lecturer, and incidentally they might on occasion pick up some information not without value to themselves. The Yorkshire District Society had been very fortunate in its officers. Mr. Dresser, the Hon. Secretary, had held that office since 1919. (Applause.) Any man who could stick to a job as many as sixteen years at a stretch without wincing, and retain his interest for his Society, was a man to be honoured. He was sure they all deeply appreciated Mr. Dresser's services to the Society. He had actually been Librarian from as far back as 1903. Their first Hon. Secretary was the late Sir Charles Wilson, a man who was part of Leeds itself. (A Voice: "He was Leeds.") He found that every man who had ever had any touch with Leeds at all became part of Leeds, and he would not be surprised if, when he woke the following morning, he was obsessed with the conviction that he also had become a part of Leeds. (Laughter.) Sir Charles Wilson filled such a place in that city, and in their own Society, with his great personality and forcefulness of character that they did not forget him. Mr. William Claridge was a member of the original Committee of the Yorkshire Society. Both those gentlemen filled offices in the Parent Society and were distinguished members of their Society and of the profession in Leeds. Present that night was Mr. Holliday, a member of the Council of the Parent Society, who had filled the post of President of their District Society. As long as they were able to carry on with men of that capacity and worth they would be able to render that service to the profession in the district and to the profession as a whole, which was looked for on the part of Yorkshire. One was glad to recall at the same time the work done by a neighbouring District Society—Sheffield—which existed before even the Yorkshire Society was formed, and by Bradford, which was founded in 1910. He was there to say on behalf of their President that the Council were very proud of the work of the District Societies throughout England. They regarded District Societies as an essential part of the Society itself. They felt that District Societies were able to do work in their several localities of a character which would be utterly impossible direct from London. At one time it was an optional matter whether a practising member might be a member of a District Society or not. Some years ago that question was brought under careful consideration, and as a result a change of policy was adopted, which made members of the Parent Society automatically members of the appropriate District Society in their own area. That was a step forward of the greatest importance, because it spread the cost of supporting District Societies over the whole membership and removed it from the few who by their loyalty and devotion were ready to subscribe and give their time in support of the

District Societies. Secondly, it enabled the Council to place at the disposal of the District Societies a greater measure of financial aid, so that their work might be carried on with still greater efficiency than in the past. Experience had shown that this departure had been more than justified and that a great improvement in the work of the Society throughout the country had been effected in consequence. The period of growth of the Society of Incorporated Accountants had coincided with phenomenal scientific progress affecting the whole field of commerce and industry. The Society had developed during a period when all the relationships of trade and industry had undergone an enormous change and development. That had been, perhaps, to the advantage of the profession, because the profession had been put under the necessity not only of keeping pace with those changes, but also in some ways of adopting the principle of leadership. He was delighted to hear what His Honour Judge Frankland said with reference to the relationship between their profession and the public, but in establishing their Society they did undoubtedly derive advantage from what they were able to learn from the older professions. The qualifications of members of the Society were very exacting. Membership could only be obtained by passing necessary examinations, and by proof of adequate training. That foundation was one which must at all costs be maintained. They must always bear in mind that their first duty was to their client. That was incontrovertible. At the same time, they were placed in such a position that they had important responsibilities to discharge to third parties, to the public, and to the Inland Revenue, and therefore, their profession could only thrive by fulfilling its proper functions upon the basis of confidence. He thought their record had been sufficient indication that they were alive to that fact. In conclusion, Mr. Woolley mentioned that the Council had decided upon a suitable memorial to the late Sir James Martin, who was one of the founders of the Society. In view of Sir James's keen interest in education and benevolence, there would be provided two exhibitions in connection with the Society's Intermediate examination. These exhibitions were to be created out of the Society's Funds; but, in addition, it was felt that the President was interpreting the wishes of every Incorporated Accountant throughout the land by suggesting that a fund should be got together for the purpose of making a substantial capital contribution to the Benevolent Fund. He appealed for generous support from members practising in Yorkshire. (Applause.)

The MAYOR OF HUDDERSFIELD (Councillor J. Barlow), proposed "Kindred Professions and Societies" in a delightfully humorous speech which included a number of stories in Yorkshire dialect.

Mr. HORACE MARSHALL (Stipendiary Magistrate of Leeds), responded. He said they could not begin to practise in any one of the professions without going through a qualifying examination which, he was glad to say, in his time was not much more than a joke; but when he considered examinations which the unfortunate youth of to-day had to pass, if they wished to become solicitors, or to join the profession of accountancy, he was glad that he was born many years ago. (Laughter.) Nor did the drudgery diminish when they began to practise. He did not suppose there was one man in a thousand walking through the streets of Leeds who could tell by looking at a balance sheet whether a business was prospering or on the verge of liquidation. As to the general reserve, he believed the opinion of the man in the street was that it was a handy sum which you could take out of the drawer when you wanted. So what would his horror be if he knew that a general reserve did not

appear, so embedded was it in the structure of a company until that company was in liquidation.

The PRESIDENT of the District Society (Mr. Oswald Coope) submitted "Our Guests," and in doing so apologised for the unavoidable absence of the Vicar of Leeds (Canon W. Thompson Elliott) and the Recorder of Leeds (Mr. Willoughby Jardine, K.C.).

Mr. H. CLIFFORD BOWLING (Official Receiver of Leeds) responded.

FORTHCOMING EVENTS.

1936.

- Jan. 6th. Belfast and District Society. At Belfast, at 7.30 p.m. Lecture by Mr. J. S. Lewis, A.S.A.A., on "Insolvency." (Students' Meeting.)
- Birmingham and District Society. At Birmingham. Annual Dinner.
- West of England District Society. At Bristol, at 6 p.m. Lecture by Mr. E. W. W. Veale, LL.D., on "The Liability of Directors."
- Jan. 7th. North Lancashire District Society. At Preston. Lecture by Mr. R. F. Cartwright, LL.B., on "Important Points in Company Law."
- Jan. 9th. Birmingham District Society. At Birmingham. Lecture by Mr. Rowlands on "Income Tax." By invitation of the Institute of Bankers.
- Burnley Students' Section. At Burnley, at 7.30 p.m. Students' Lecturettes.
- Cardiff Students' Section. At Cardiff. Papers by Mr. T. H. Eddolls and Mr. W. R. Matthews on "Stock Exchange Transactions" and "The Relief of Unemployment," respectively.
- Liverpool District Society. At Chester, at 6.45 p.m. Lecture by Mr. W. E. Taffs, A.S.A.A., on "Secretarial Practice."
- Jan. 10th. Hull District Society. At Hull, at 7.15 p.m. Lecture by Mr. O. Griffiths, M.A., LL.B., on "Mercantile Law for the Examinee."
- Nottingham, Derby and Lincoln District Society. At Nottingham, at 6.30 p.m. Lecture by Mr. A. S. Wade, City Editor, *The Evening Standard*, on "Stock Exchange Activities."
- Jan. 13th. Dublin Students' Section. At Dublin, at 6 p.m. Joint Debate with Dublin Society of Chartered Accountants.
- Newcastle-upon-Tyne District Society. At Newcastle, at 6.30 p.m. Visit to Showrooms of Burroughs Adding Machines, Ltd.
- Jan. 14th. Devon and Cornwall District Society. At Plymouth, at 6.30 p.m. Lecture by C. L. Lawton, M.Sc., A.C.A., on "Economics for the Society's Final Examination."
- Yorkshire District Society. At Leeds, at 6.30 p.m. Lecture by Mr. E. R. Dodd, A.S.A.A., on "Some Developments in Office Organisation."
- Jan. 15th. Cumberland and Westmorland District Society. At Carlisle. Lecture by Mr. Matthew Thompson on "Stock Exchange Practice."
- Liverpool District Society. At Liverpool, at 6.15 p.m. Lecture by Mr. Stanley Dumbell, M.A., on "A Commentary on Recent Economic Events, 1931-35."
- Jan. 15th. North Staffordshire District Society. At Hanley, at 6.30 p.m. Mock Income Tax Appeal Meeting.
- Jan. 16th. Bradford District Society. At Bradford, at 7.30 p.m. Lecture by Mr. W. Bertram Nelson, F.S.A.A., on "Company Reconstruction."
- Jan. 17th. Manchester and District Society. At Manchester, at 6.15 p.m. Lecture by Mr. W. H. Grainger, F.S.A.A., on "The Stock Exchange." (Students' Meeting.)
- Nottingham, Derby and Lincoln District Society. At Nottingham, at 6.30 p.m. Lecture by Mr. P. Logie on "Mechanical Accountancy and Demonstration."
- Swansea and South-West Wales District Society. At Swansea. Lecture by Mr. C. A. Sales, LL.B., F.S.A.A., on "Company Winding-up."
- Jan. 20th. Leicester District Society. At Northampton, at 6 p.m. Lecture by Mr. S. Shaw, LL.B., on "Points in Company Flotation."
- Newcastle-upon-Tyne District Society. At Newcastle, at 6.30 p.m. Lecture by Mr. C. R. Curtis, M.Sc. (Econ.), on "The Gold Standard."
- West of England District Society. At Bristol, at 6 p.m. Lecture by Mr. H. A. R. J. Wilson, F.C.A., F.S.A.A., on "Income Tax—Cessation and Succession."
- Jan. 21st. Leicester District Society. At Leicester, at 6 p.m. Lecture by Mr. S. Shaw, LL.B., on "Points in Company Flotation."
- Newcastle District Society. At Middlesbrough, at 7 p.m. Lecture by Mr. C. R. Curtis, M.Sc. (Econ.), on "The London Money Market."
- West of England District Society. At Gloucester, at 5.45 p.m. Lecture by Mr. H. A. R. J. Wilson, F.C.A., F.S.A.A., on "Income Tax—Cessation and Succession."
- Jan. 23rd. Cardiff Students' Section. At Cardiff. Papers by Mr. I. Corbett and Mr. W. G. Evans on "The Treatment of Indirect Expenses in Cost Accounts" and "The Audit of the Accounts of (a) A Building Contractor, and (b) A Garage Proprietor," respectively.
- Jan. 24th. Birmingham District Society. At Birmingham. Lecture by Mr. C. C. Benstead on "Income Tax as Affecting Companies and Company Officers."
- Leicester District Society. At Leicester. Annual Dinner.

Jan. 24th. Manchester District Society. At Manchester, at 6.15 p.m. Lecture by Mr. John Tipping, A.S.A.A., on "Audit of Municipal Accounts with Special Reference to Mechanical Accounting." (Students' Meeting.)

Sheffield District Society. At Sheffield, at 6.30 p.m. Lecture by Sir Josiah Stamp, G.C.B.

South of England District Society (Bournemouth Regional Committee). At Bournemouth, at 7.15 p.m. Lecture by Mr. G. Ralph Curtis, M.Sc. (Econ.), on "Supply and Demand."

Jan. 25th. Irish Branch. At Dublin. Annual Dinner.

Jan. 27th. Belfast District Society. At Belfast, at 1 p.m. Luncheon.

Hull District Society. At Hull, at 8 p.m. Lecture by Mr. D. Bellamy, A.C.W.A., on "Mechanical Accountancy."

Newcastle-upon-Tyne District Society. At Newcastle, at 6.30 p.m. Meeting for Qualified Members.

Jan. 28th. Bradford District Society. At Bradford, at 7.30 p.m. Lecture by Mr. W. Bell, M.A., on "Economics To-day."

East Anglian District Society. At Norwich. Annual Dinner.

Yorkshire District Society. At Leeds, at 6 p.m. Lecture by Mr. Wilfred Dargue, A.C.A., on "Income Tax."

Jan. 31st. Belfast District Society. At Belfast. Annual Dance.

Cumberland and Westmorland District Society. At Carlisle. Annual Dinner.

Liverpool District Society. At Liverpool, at 6.15 p.m. Lecture by Sir Josiah Stamp, G.C.B.

Manchester District Society. At Manchester, at 6.15 p.m. Lecture by Mr. J. Ford, Inspector of Taxes on "Income Tax."

Incorporated Accountants' London and District Society.

Mr. E. Furnival Jones has requested that his Lecture on "Some Accountancy Problems of Yesterday and To-day," originally fixed for March 24th, 1936, may be postponed owing to his having to proceed abroad at that time. On that date, Mr. Cyril F. C. Brodie, of the Guardian Assurance Company, Limited, will give an address to the Members at Incorporated Accountants' Hall on "Profits Insurance—Its Evolution and Modern Practice."

MUNICIPAL ELECTION.

Mr. T. Harold Platts, F.S.A.A., was elected a member of the Droitwich Corporation at a bye-election held on December 5th. The result of the poll was :—

Mr. T. Harold Platts, F.S.A.A.	..	..	696
Mr. G. H. Willis	..	..	436
Majority	..	..	260

Reviews.

Accountants' and Auditors' Diary, 1936. London: T. Whittingham & Co., Ltd., 50, Southwark Bridge Road, S.E.1, and 35, Bucklersbury, E.C. (Price 6s. to 12s. 6d., according to size and binding.)

This Diary is specially designed for the use of accountants and the editorial matter is carefully selected so as to be of practical use to them in carrying out their duties from day to day. It comprises the main provisions of the Companies Act, 1929, so far as they affect accountants, and also the audit provisions relating to companies incorporated under special Acts of Parliament. Special attention has been given to income tax and sur-tax matters, full particulars being supplied in a form readily accessible and without unnecessary detail. Full information is likewise supplied with regard to deeds of arrangement, stamp duties, national health and unemployment insurance, &c. In the body of the Diary provision is made for setting out the details of work done day by day, and at the end there is a time summary. The summary is ruled to enable the time for the whole year or any shorter period to be summarised under the client's name, additional columns being provided for working out the total time and extending the charges. In the cloth bound editions the summary is enlarged and divided into alphabetical sections for convenience of reference. The Diary is published in a number of different sizes and bindings suitable for the varying requirements of principals and clerks.

Share Records and their Audit. By W. J. Back, Incorporated Accountant. London: Gee & Co. (Publishers), Ltd., 6, Kirby Street, E.C.1. (166 pp. Price 6s. net.)

This book contains a good deal more than merely information regarding the audit of share records. The author deals with the whole procedure in relation to the transfer and transmission of shares, their sale, purchase and registration. A chapter is also devoted to issues of capital and another to the audit required for the statutory meeting. The procedure in relation to continuous and periodical transfer audits is described in considerable detail and a suggested form of certificate is furnished. Every professional accountant who has had experience of this class of audit has his own idea as to the precise wording of the certificate which should be given, and probably no two are quite alike, but the form suggested by Mr. Back provides a good basis to work upon. The appendix contains extracts from the report of the sub-committee of the Stock Exchange in relation to new issues and official quotations, extracts from the Stock Exchange rules, and the Inland Revenue circular relating to stamp duties. There are also included some useful particulars with regard to Fixed Trusts and share transfer practice in the Irish Free State. Altogether the book contains a large amount of information regarding the share records of companies and the matters to be borne in mind in relation to transfer audits.

Elementary Income Tax and Sur-Tax. By W. Roger Carter, M.A., A.C.A. London: Gee & Co. (Publishers), Ltd., 6, Kirby Street, E.C.1. (232 pp. Price 5s. net.)

This is eminently a book for students for whom it is primarily designed. The author describes it as little more than a sketch of fundamental principles, but it is something more than that, and contains much useful information stated in simple language on the numerous matters which arise in connection with income tax and its assessment. There is no attempt to go into the circumstances of legal decisions, but only to explain the operation of the income tax statutes and their application to the varying circumstances which arise. Numerous examples are given in illustration of the text, which will be found helpful to students who have not had any large experience of income tax matters.

The Society of Incorporated Accountants and Auditors.

RESULTS OF EXAMINATIONS, NOVEMBER, 1935. Passed in Final.

Order of Merit.

- SHAPLAND, WILLIAM ARTHUR, Clerk to Allan, Charlesworth & Co., 17, St. Helen's Place, Bishopsgate, London, E.C.3. (*First Certificate of Merit and First Prize.*)
- PAYNE, HAROLD, Clerk to Charles R. Blissett, Waterloo Chambers, Fir Vale Road, Bournemouth. (*Second Certificate of Merit and Second Prize.*)
- SINNOTT, ERNEST, Borough Accountant's Office, Town Hall, Worthing. (*Third Certificate of Merit and Third Prize.*)
- PRINCE, EDWIN STANLEY, Clerk to Cooper, Parry, Hall, Doughty & Co., 102, Friar Gate, Derby. (*Fourth Certificate of Merit.*)
- CUNDY, FRANCIS WILLIAM, Clerk to Ware, Ward & Co., Lloyds Bank Chambers, 1, Vaughan Parade, Torquay. (*Fifth Certificate of Merit.*)
- WALTERS, ARTHUR PAUL GOTH, Clerk to Trevor Davies, Gantner & Co., 5, Great Winchester Street, London, E.C.2. (*Sixth Certificate of Merit.*)

Alphabetical Order.

- ABERNETHY, WILLIAM LESLIE, Borough Treasurer's Department, Church Street, Darwen.
- ADAMS, CECIL GEORGE, Clerk to Allan Charlesworth & Co., 17, St. Helens Place, Bishopsgate, London, E.C.3.
- AITCHISON, JOHN, Clerk to Robert Fryer, 45, Hope Street, Glasgow.
- ARCHER, STANLEY, Clerk to Percy F. Ward & Co., 27, Mosley Street, Newcastle-upon-Tyne.
- ARMIT, ROBERT, Clerk to James Condie & Co., 3, East Port, Dunfermline.
- ASHCROFT, GEORGE DENMAN, Clerk to Greenhalgh, Sharp & Co., 30, Brown Street, Manchester, 2.
- BAILEY, WILFRID, Borough Treasurer's Office, Town Hall, Wednesbury.
- BAIRD, JOHN WILLIAM, Clerk to Atkinson & Boyd, State Building, 18, Arthur Street, Belfast.
- BARNDEN, ARTHUR, Clerk to Larking & Larking, Invicta Chambers, Pudding Lane, Maidstone.
- BARON, GARETH BARLOW, Clerk to T. N. Steel (T. N. Steel & Co.), Union Bank Chambers, Market Place, Huddersfield.
- BARTLETT, WALTER NUGENT, Clerk to Walter Hunter, Bartlett, Thomas & Co., 24, Bridge Street, Newport, Mon.
- BASU, DEBABRATA, B.Sc., Clerk to S. Easton Simmers & Co., 98, West George Street, Glasgow.
- BATH, VINCENT, Clerk to G. R. Woollard & Co., 1, 2 and 13, Queens Chambers, 5, John Dalton Street, Manchester.
- BELLAMY, ARTHUR, Clerk to S. I. Wallis, 3, King John's Chambers, Bridlesmith Gate, Nottingham.
- BHATIA, PRITHVI NATH, B.Com., formerly Clerk to Sahgal, Chatrath & Soni, 8, Ferozepur Road, Lahore.
- BOLAM, JAMES NORMAN, Clerk to C. H. Mears (C. H. Mears & Co.), 15, New Bridge Street, London, E.C.4.
- BROCKS, WILLIAM JAMES, Borough Treasurer's Department, Municipal Offices, Bromley.
- BROWN, DAVID LUMSDEN, Clerk to William A. J. Ling (William A. J. Ling & Co.), 3-4, Great Winchester Street, London, E.C.2.

- BROWN, JOHN FINLAY, Clerk to John Brown & Co., Exchequer Chambers, 23, Exchequer Street, Dublin.
- BROWN, NORMAN JASPER LEADER, Clerk to F. Alan Simpson (Wallis, Gluyas & Simpson), Orchard Chambers, Orchard Street, Bristol.
- BURSTOW, DENNIS CYRIL, Clerk to Mannington & Hubbard, Endwell Chambers, Endwell Road, Bexhill-on-Sea.
- BURY, BOB SPENCER, Clerk to D. G. Price (Duart-Smith, Baker & Price), Albion House, King Street, Gloucester.
- CARNOCHAN, JOHN GOLDER, Clerk to H. Noel French, Ormrod & Co., 5, Castle Street, Liverpool, 2.
- CHADWICK, HENRY GEORGE, National Insurance Audit Department, 4, Lonsdale Street, Stoke-on-Trent.
- CHARLES, ERNEST FRED, Audit Department, Ministry of Health, 312, Kettering Road, Northampton.
- CHEESMAN, FRANK, Accountant's Department, Port of London Authority, London, E.C.3.
- CLIFFORD, TIMOTHY JOSEPH, B.Comm., formerly Clerk to W. A. Deevy & Co., 29, Barronstrand Street, Waterford.
- CLOUGH, ALBERT GEORGE, Clerk to J. Paterson Brodie & Son, Moor House, Moorland Road, Burslem, Stoke-on-Trent.
- COGHILL, JOHN EARNSHAW, formerly Clerk to Thos. Hayes & Sons, 13, Greek Street, Leeds.
- COLLEY, CHARLES, Clerk to Harry Cunningham (Harry Cunningham & Co.), Hills Chambers, 189, Norfolk Street, Sheffield.
- COLLINS, JAMES WILLIAM GANE, Clerk to Cassleton Elliott & Co., 4-6, Throgmorton Avenue, London, E.C.2.
- COOKMAN, GILES ADOLPHUS, Clerk to David Owen & Co., Bank Chambers, Devizes.
- COPOCK, JOHN EDWARD, Clerk to Morgan, Crumpton, Cappleman & Co., Paragon House, Paragon Street, Hull.
- COX, SYDNEY WILSON, Clerk to Whitfield, Wilson, Couper & Co., Martins Bank Chambers, Park Row, Leeds.
- CREED, FREDERICK SHERMAN, B.Sc., H.M. Inspector of Taxes, Torwood Gardens Road, Torquay.
- CREED, STANLEY WILLIAM, Clerk to Henry J. Burgess & Co., 14, St. Mary Axe, Leadenhall Street, London, E.C.3.
- CRICK, KENNETH MAYNARD, Clerk to Clinch, Legge & Co., 52, Bedford Road, London, W.C.1.
- CRICK, MAURICE ARTHUR, Clerk to Swallow, Crick & Co., 31, Priestgate, Peterborough.
- CUCKOW, PHILLIP EDWARD, Audit Department, Co-operative Wholesale Society, Ltd., 82, Leman Street, London, E.1.
- CURTIS, WINSTON, Clerk to F. Jennings & Co., Borough Chambers, Neath.
- DALE, ARTHUR BURTON, Clerk to Edwin Guthrie & Co., 71, King Street, Manchester, 2.
- DANDEKER, GANESH MAHADEV, B.A., formerly Clerk to M. K. Dandeker & Co., National Insurance Buildings, Esplanade, Madras.
- DARBY, ROBERT GERALD, Clerk to W. W. Beer (W. W. Beer, Aplin & Co.), 17, Bedford Circus, Exeter.
- DAVIDSON, GEORGE SMITH, formerly Clerk to A. Dunstan Adams, Stanley House, Hardinge Street, Nairobi, Kenya Colony.
- DAWSON, GEORGE WILLIAM, Clerk to Forster, Scollick & Co., Pearl Buildings, Northumberland Street, Newcastle-upon-Tyne.
- DAWSON, KENNETH CAREY, Clerk to Harrison, Hill & Co., Warwick House, 166, Rye Lane, Peckham, London, S.E.15.

FINAL—(Continued)

- DAY, WILLIAM HENRY, Clerk to J. M. Fellows (Fellows, Crabb & Co.), 9-10, Foster Lane, London, E.C.2.
- DAYKIN, JOSEPH, Clerk to Hubbard, Durose & Pain, 18, Low Pavement, Nottingham.
- DHAWAN, ANAND PRAKASH, B.A., formerly Clerk to Sahgal, Chatrath & Soni, 8, Ferozepur Road, Lahore.
- DINGLE, GEORGE ERIC, City Treasurer's Department, The Guildhall, Portsmouth.
- DOODSON, NORMAN, County Accountant's Department, Kent County Council, Sessions House, Maidstone.
- DRIVER, RONALD EDWARD, Borough Treasurer's Department, 13, Balmoral Road, Gillingham, Kent.
- DUMONT, BASILE GEORGES, Clerk to C. H. Tolley, Rowlands & Co., 18, Buckingham Street, Adelphi, London, W.C.2.
- DUNN, DAVID HORACE, Clerk to W. H. H. Aplin (W. W. Beer, Aplin & Co.), 17, Bedford Circus, Exeter.
- EAGLES, EDWIN BERNARD, Finance Department, Middlesex County Council, 10, Great George Street, Westminster, London, S.W.1.
- EAST, THOMAS ROYCROFT, B.Comm., Clerk to Cooper & Kenny, 34, Dame Street, Dublin.
- EVISON, GEORGE ALAN, Clerk to Garner, Pugh & Sinclair, Prudential Chambers, Oswestry.
- FARNDON, GORDON WATKIN, Clerk to Cedric H. Bennett High Holborn House, High Holborn, London, W.C.1.
- FIALKO, LEWIS, Clerk to Longhurst & Welch, Portland House, 73, Basinghall Street, London, E.C.2.
- FIELD, JOHN EDWARD, Clerk to Viney, Price & Goodyear, Empire House, St. Martins-le-Grand, London, E.C.1.
- FOLEY, PATRICK JOSEPH, B.Comm., Clerk to Magennis, Burns, Griffin & Co., City Chambers, 4, Lapp's Quay, Cork.
- GARDINER, GORDON CHARLES WILLIAM, Clerk to S. J. G. Southon, Midland Bank Chambers, Rolle Street, Exmouth.
- GARNER, RONALD, The Hollins, 16, New Street, Leicester, Practising Accountant.
- GIBBS, WALTER JOHN, Accountant's Department, Metropolitan Water Board, 173, Rosebery Avenue, London, E.C.1.
- GODDARD, NORRIS MATANLE, Clerk to A. Clifford Towers (Clifford Towers, Temple & Co.), 5-6, Bucklersbury, London, E.C.4.
- GOUGH, RAYMOND WILLIAM, Clerk to H. E. Johnson (J. E. Denney, Bogle & Co.), 120, Moorgate, London, E.C.2.
- GOWLAND, GEORGE, Clerk to F. S. Rowland, 90, Pilgrim Street, Newcastle-upon-Tyne.
- GREENWOOD, EDWARD, Clerk to Edgar Oates & Co., 371-377, Corn Exchange Buildings, Manchester, 4.
- GREGORY, HOWARD PERCIVAL, Clerk to Parsons & Jolliffe, Belvoir House, 45, Chepstow Road, Newport, Mon.
- GRIFFIN, DOUGLAS RAYMOND, Clerk to George W. Bacon (G. W. Bacon & Co.), Norfolk House, Laurence Pountney Hill, Cannon Street, London, E.C.4.
- GRIFFITHS, IVOR, Clerk to W. H. Charles, 3, Greenfield Villas, Murray Street, Llanelly.
- GROOM, THOMAS MINDEN, Clerk to A. Bewley, Town Hall, Salford, 3.
- HANDEL, FRED, Clerk to J. P. W. Goodwin & Son, Chancery Lane Station Chambers, High Holborn, London, W.C.1.
- HARDACRE, WALTER SIMPSON, City Treasurer's Department, Castle Boulevard, Nottingham.
- HARDY, HAROLD (Kitson & Hardy), 13, Barstow Square, Wakefield, Practising Accountant.
- HAWKES, WALTER HENRY, Clerk to Thomas W. Sly (Mortimer & Sly), 37, High Holborn, London, W.C.1.
- HERBERT, DUNSTAN ANTONY, Clerk to Franklin, Wild & Co., Orient House, 42-43, New Broad Street, London, E.C.2.
- HILL, PHILIP GRAHAM, Clerk to Joseph Stephenson (Stephenson, Smart & Co.), Broadway, St. Ives, Hunts.
- HOLMES, JOHN EDGAR, Clerk to J. W. Reynolds (J. W. Reynolds & Son), 49, Bank Street, Bradford.
- ISON, WALTER DOUGLAS, Clerk to A. W. White (Cash, Stone & Co.), 48, Copthall Avenue, London, E.C.2.
- JAKEMAN, THOMAS ERIC, Clerk to Harold F. Joy, 28, St. Thomas Street, Weymouth.
- JARDINE, JOHN, Clerk to J. E. Pattison, 8, West Street, Gateshead.
- JARRATT, FRANCIS LESLIE, Clerk to Stanley Scotter (Stanley Scotter & Co.), Ferres Chambers, 22, Whitefriargate, Hull.
- KEALEY, CHARLES STANLEY GERARD, Clerk to Charles Wakeling, 8, Serjeants' Inn, Temple, London, E.C.4.
- KEDGE, PERCY JOHN, Clerk to A. W. White (Cash, Stone & Co.), 48, Copthall Avenue, London, E.C.2.
- KEEN, JOHN CHARLES, Clerk to Ernest C. Hitchmough, 2, South Mall, Cork.
- KNOTT, TOM, Clerk to Horace B. Leah, 9, Warren Street, Stockport.
- LAWRENCE, BARRINGTON SYDNEY, Clerk to W. Paynter (Spence, Paynter & Morris), 6, Wardrobe Place, Doctors' Commons, London, E.C.4.
- LENNOX, VINCENT HEDLEY, Clerk to Crawford & Allen, 2, Wellington Place, Belfast.
- LITTLE, MAURICE VAUGHAN, Clerk to Deloitte, Plender, Griffiths & Co., Midland Bank Chambers, 97, Bute Street, Cardiff.
- LITTLETON, HUGH OWEN, Clerk to W. E. Fitzhugh (Fitzhugh, Tillett & Co.), 120, Moorgate, London, E.C.2.
- LOCKE, ROLAND, Audit Office, Co-operative Wholesale Society, Ltd., Corporation Street, Manchester, 4.
- MCBRIDE, ROBERT WILLIAM, Clerk to Oughton, Boyd, McMillan & Co., 14-18, Coates' Buildings, Castle Street, Belfast.
- MALLIK, BYOM KESH, B.Sc., formerly Clerk to S. R. Batliboi & Co., 1B, Old Post Office Street, Calcutta.
- MARTIN, EDWIN HENRY RIDGEWELL, Clerk to Barton, Mayhew & Co., Aldermans' House, Bishopsgate, London, E.C.2.
- MARTIN, WESLEY JOHN, Clerk to Hugh Smylie & Sons, 13, Donegall Square North, Belfast.
- MASKELL, ALBERT EDWARD, Clerk to Weeks, Hillyard & Co., Weavers' Hall, 22, Basinghall Street, London, E.C.2.
- MILL, HENRY JOHN SCOTT, formerly Clerk to Kimpton, Holland & Co., Tredegar Chambers, Bridge Street, Newport, Mon.
- MOORE, HERBERT ERNEST, Clerk to Cooper, Cozens & Co., 8, East Stockwell Street, Colchester.
- MORGAN, DAVID KITCHENER GWYN, Clerk to J. Fooks (J. Fooks & Sons), 3, Park Place, Cardiff.
- MORTIMER, ROBERT BIRDELL, Clerk to G. F. H. Gardiner (F. C. Gardiner & Co.), Barclays Bank Chambers, Scarborough.
- MUNSLow, FREDERICK WILLIAM, Clerk to W. L. Leech (Cooper-Parry, Hall, Doughty & Co.), 102, Friar Gate, Derby.
- ORANGE, HENRY DANIEL, Clerk to Maynard & Son, 37, Queen Victoria Street, London, E.C.4.

FINAL—(Continued)

- OSMAN, DAVID, Clerk to R. A. Wetherall, Guildhall, Swansea.
- PEARSON, ALBERT, Clerk to Porter, Matthews & Marsden-43, Preston New Road, Blackburn.
- PEARSON, ALBERT CHARLES, Clerk to F. L. Cooke (Slater, Chapman & Co.), 38, Holborn Viaduct, London, E.C.1.
- PICOT, LESLIE ALEXANDER, Clerk to Alex. E. Picot (Alex. E. Picot & Co.), Trinity Chambers, Hill Street, Jersey, C.I.
- PILLAY, PURANKARIMPIL CHACKO, B.A., formerly Clerk to Batliboi & Purohit, National Insurance Building, 27, Bastion Road, Bombay.
- PIRIE, JOHN WILLIAM, Audit Department, Ministry of Health, 24, Swift Gardens, St. Giles, Lincoln.
- POTTER, SYDNEY, Clerk to J. A. Crawshaw, Station Chambers, 36, Bolton Street, Bury.
- PRATT, DOUGLAS GEORGE, Clerk to Henry J. B. Feist, 44, Rectory Grove, Leigh-on-Sea.
- RADFORD, REGINALD JOSEPH, Clerk to H. Slater (Slater & Dominy), Sussex House, Hobson Street, Cambridge.
- RAILTON, COURTENEY HUGH, formerly Clerk to Walter Hunter, Bartlett, Thomas & Co., 24, Bridge Street, Newport, Mon.
- RAMSDEN, RUFUS, County Accountant's Department, Bucks County Council, County Offices, Aylesbury.
- RICHARDS, STANLEY JOHN, Clerk to W. Vincent Vale & Co., 16, Waterloo Road, Wolverhampton.
- RILEY, KENNETH JOHN, Clerk to A. J. Palmer, 5, West Street, Fareham, Hants.
- SAHAL, VISHNU, B.A., formerly Clerk to Sahgal, Chatrath & Soni, 8, Ferozepur Road, Lahore.
- SAINT-YVES, JEAN MARIE, Clerk to Wilkinson & Mellor, Finsbury Court, Finsbury Pavement, London, E.C.2.
- SCALES, STUART SHANKLAND, County Accountant's Department, Cumberland County Council, The Courts, Carlisle.
- SEN, BENOY KUMAR, B.Sc., B.A.(Com.), formerly Clerk to William Pickles, Aldine Chambers, 57, Princess Street, Manchester.
- SEN GUPTA, PHANIBHUSHAN, B.A., formerly Clerk to Rooke, Holt & Co., Empire House, St. Martin's-le-Grand, London, E.C.1.
- SHAY, ALAN CRISP, Clerk to Keens, Shay, Keens & Co., Bilbao House, New Broad Street, London, E.C.2.
- SHOTTON, WILLIAM LANZA, Clerk to Darr, Rickard & Co., Royal London House, Finsbury Square, London, E.C.2.
- SIMMONDS, ANTHONY CECIL, Clerk to Wheeler, Monro & Campbell Brodie, 5, King Street, Covent Garden, London, W.C.2.
- SMITH, ALFRED JAMES, Clerk to W. B. Sievwright (Moir, Wood & Co.), 3, Kinnoull Street, Perth.
- SMITH, DONALD ALFRED, Clerk to Gray, Stainforth, Newton & Co., 31, Lombard Street, London, E.C.3.
- SPROSON, WILFRED CLARENCE (T. E. Lowe & Co.), Grosvenor Chambers, 73, Lichfield Street, Wolverhampton, Practising Accountant.
- STALLABRASS, FREDERICK DENNIS, Clerk to Peat, Marwick, Mitchell & Co., 11, Ironmonger Lane, London, E.C.2.
- SWINDELLS, BERTRAM, Clerk to C. W. Legge (Clinch, Legge & Co.), Hurdis House, Broad Street, Seaford, Sussex.
- TAIT, HAROLD JAMES WILLIAM, Clerk to William Adams, Town Hall, Wolverhampton.
- TAYLOR, CHARLES BARRY, Clerk to Peat, Marwick, Mitchell & Co., 14, Albert Street, Harrogate.
- TAYLOR, RICHARD, Clerk to George E. Cooke, 78, Broad Street, Pendleton, Salford, 6.
- THOMPSON, GRIFFITH MOORE, Clerk to V. J. H. Harris (Benbow & Ains), 45, Derngate, Northampton.
- TILBY, EDWARD JAMES, Clerk to Chantrey, Button & Co., Africa House, Kingsway, London, W.C.2.
- TOUGH, ROBERT MACGILLIVRAY, County Accountant's Department, County Offices, Bucks County Council, Aylesbury.
- VAJIFDAR, SHAVAK FRAMROZ, B.A., formerly Clerk to Damania, Panday & Bajan, Navsari Buildings, Hornby Road, Fort, Bombay.
- WALKER, THOMAS PATTERSON, Clerk to Percy Hodgkinson & Co., Osborne Chambers, 48, Sunbridge Road, Bradford.
- WALSHAW, RALPH, Clerk to T. Kirkby North, Old Bank Chambers, Park Row, Leeds.
- WARD, MARGARET, Clerk to C. J. Shepherd, 48-50, Mosley Street, Manchester, 2.
- WARREN, RONALD JEFFREY, Clerk to H. H. Benbow (Benbow & Ains), 45, Derngate, Northampton.
- WHEELER, RONALD, Clerk to Whittaker, Bailey & Co., 3, Portland Street, Southampton.
- WHITE, KENNETH HAROLD, Clerk to William R. Baskett (Bobart, Baskett & Co.), 65-66, Basinghall Street, London, E.C.2.
- WIDDICOMBE, SAMUEL HERBERT, Clerk to Nevill, Hovey, Smith & Co., 9, Market Street, Newton Abbot.
- WIGHTMAN, JOHN WILLIAM, Clerk to Keens, Shay, Keens & Co., 69, High Street, Stony Stratford, Bucks.
- WILD, RAYMOND, Clerk to R. N. Ching (W. J. Ching & Co.), 8, Sussex Terrace, Plymouth.
- WILKES, SAMUEL JOHN, Clerk to Griffin & Co., 7 and 8, Union Street, Birmingham, 2.
- WILLIAMS, FREDERICK JOHN, Clerk to Percival White, (White & Pawley), 6, Sussex Terrace, Plymouth.
- WILLIAMS, JOHN, Clerk to Henry Smith (Fred A. Fitton, Wilson, Smith & Martin), British Dominions House, 30, Cross Street, Manchester.
- WOODCRAFT, ALAN HERBERT, Clerk to Hill, Vellacott & Co., Finsbury Circus House, Blomfield Street, London, E.C.2.
- WRATHALL, JOHN JAMES, Clerk to H. Howarth (Clarke, Clarkson & Howarth), District Bank Buildings, Lancaster.

SUMMARY :—

6 Candidates awarded Honours.
 150 Candidates passed.
 198 Candidates failed.
 —
 354 Total.
 —

Passed in Intermediate.

Order of Merit.

- CREMIN, JAMES AUGUSTINE, B.A., Inspector of Taxes, 52, King Street, Stirling. (*First Place Certificate. Disqualified for Prize by Age Limit.*)
- CLEMENTS, ROBERT WILLIAM THOMAS, Finance Department, County Hall, Kingston-on-Thames. (*Second Place Certificate and Prize.*)
- CUSK, FRED, Clerk to Harley, Denney, Blount & Co., Coventry House, 3, South Place, Moorgate, London, E.C.2. (*Third Place Certificate.*)
- BARBER, ALEC HERBERT, Clerk to Frederick Shaw (Shaw, Peterkin & Co.), 17-18, Basinghall Street, London, E.C.2. (*Fourth Place Certificate.*)

INTERMEDIATE—(Continued)

SYKES, STANLEY WILLIAM, Borough Treasurer's Office, Town Hall, Wallasey. (*Fifth Place Certificate.*)

WAGNER, CARL FREDERICK, Clerk to Litton, Pownall, Blakey & Higson, 42, Spring Gardens, Manchester, 2. (*Sixth Place Certificate.*)

Alphabetical Order.

ANDERSON, JOHN ELLIS, Clerk to Chalmers, Wade & Co., 5, Fenwick Street, Liverpool, 2.

APPS, BASIL ALBERT, Clerk to Edmonds, Clover & Ackery, 70, Commercial Road, Portsmouth.

ASHWORTH, JOHN HARVEY, Clerk to William Ashworth (Ashworth, Moulds & Co.), 22, Nicholas Street, Burnley.

ATKINSON, JAMES, Clerk to Armitage & Norton, Martin's Bank Chambers, Tyrrell Street, Bradford.

BAKER, PHILIP HERVEY, Clerk to Ernest R. Bradley (Bradley & Slater), 584, Christchurch Road, Boscombe, Bournemouth.

BANNERTON, JOSEPH PATRICK, Clerk to P. J. Purtill (Purtill & Co.), 33-34, Anglesea Street, Dublin.

BARKER, BERNARD THOMAS, Clerk to H. E. Lacey (F. Roberts & Co.), 15, Guildhall Road, Northampton.

BARKER, TOM, Clerk to Stanley Kent (Harper, Kent & Wheeler), Old Bank Buildings, Bellstone, Shrewsbury.

BARLOW, DERRICK, Clerk to Kingston, Roffe & Co., Bush House, Strand, London, W.C.2.

BARNETT, WILLIAM TEMPEST, Clerk to J. Edgar Jordan & Co., 20, Queen Street, Wolverhampton.

BATT, JOHN GRANVILLE POTTINGER, Clerk to Joshua Wortley & Sons, Leader House, Surrey Street, Sheffield.

BEECHER, ERNEST ROWLAND, Clerk to Peat, Marwick, Mitchell & Co., Williams Deacon's Bank Chambers, Church Street, Sheffield.

BELL, ALEXANDER ALBERT, Clerk to Rawlinson, Allen & White, Ocean Buildings, Donegall Square East, Belfast.

BOULTON, GILBERT CHARLES PRICE, Clerk to Morris Lodge, Municipal Offices, Weymouth.

BRIGHTWELL, PHILIP GEORGE, Clerk to Maurice Halpern & Allen, 19, London Wall, London, E.C.2.

BROCKWAY, JACK BOYCE SHADWELL, Clerk to F. Wadge (Cully & Co.), 5, Bank Plain, Norwich.

BROOKS, EDWARD HUTCHINSON, Clerk to W. Howarth (Whitehead & Howarth), Montauban Chambers, St. Annes-on-Sea.

BROWN, JOHN CHARLES, Clerk to L. E. Stewart (L. E. Stewart, Waters & Co.), 22, Marefair, Northampton.

BULL, LEONARD EDMUND, Clerk to David Owen & Co., Bank Chambers, Devizes.

BUSSEY, HAROLD EDWARD, Clerk to Davie, Parsons & Co., 6, Bishopsgate, London, E.C.2.

BUZZACOTT, RONALD CHARLES, Clerk to Frederick W. Buzzacott (Buzzacott, Lillywhite & Co.), 41, Moorfields, London, E.C.2.

CANSICK, WILLIAM ROBERT, Clerk to Lucas, Warley & Lucas, Brettenham House, Waterloo Bridge, Strand, London, W.C.2.

CHAPMAN, WILFRID LONGSTAFF, Clerk to Thrale C. Martin & Co., E. Milburn House, Newcastle-upon-Tyne.

CHURCHER, HARRY JAMES LOMAX, Clerk to Alfred J. Johnson (C. Johnson & Son), 35, Southgate Street, Winchester.

CLARKE, EDWARD HENRY, Borough Treasurer's Office, Albion House, Ramsgate.

CLARKE, MAXWELL PHILLIPS, Clerk to Henry W. West (H. W. West & Co.), Bank House, 618, Romford Road, Manor Park, London, E.12.

CLARKSON, VINCENT JOSEPH, Clerk to C. Snowden, Lillies Chambers, 39, Albion Street, Leeds.

CLOUGH, THOMAS MAXWELL, Accountant's Department, Metropolitan Water Board, 173, Rosebery Avenue, London, E.C.1.

COTTE, KENNETH, Clerk to A. E. Wood (Thompson & Wood), 22, Broad Street, Hereford.

CRAVEN, GEORGE MARRIOTT, Borough Treasurer's Department, Brentford and Chiswick Borough Council, Town Hall, Chiswick, London, W.4.

CROWTHER, NORMAN, Clerk to Shuttleworth & Haworth, Lloyds Bank Buildings, 53, King Street, Manchester.

DALY, HENRY JOHN, B.Comm., Clerk to A. J. Magennis (Magennis, Burns, Griffin & Co.), City Chambers, 4, Lapps Quay, Cork.

DANKS, JOHN LESLIE, Clerk to Reginald H. Hackett, Town Hall Buildings, Castle Street, Farnham, Surrey.

DARBYSHIRE, THOMAS HERBERT, Clerk to Theodore B. Jones & Co., Standard Buildings, City Square, Leeds.

DATTA, PRAKASH CHANDRA, B.A., formerly Clerk to S. N. Mukherji, 1B, Old Post Office Street, Calcutta.

DAVIES, CHARLES TREVOR MORGAN, Clerk to F. J. Warren & Son, 3, Victoria Place, Haverfordwest.

DAVIES, GEORGE ELWYN, Clerk to George R. Williams, 19, Windsor Place, Cardiff.

DAVIES, WILLIAM ERNEST, Clerk to Alfred E. Pugh, Carlton Chambers, Newport, Mon.

DAVIS, ARTHUR CYRIL GORDON, City Treasurer's Department, The Guildhall, Portsmouth.

DEFEE, ALFRED CYRIL, Clerk to Hodgson, Harris & Co., 135, Fenchurch Street, London, E.C.3.

DES MOULINS, RONALD ERNEST, Clerk to Kingston, Smith & Co., 110, Cannon Street, London, E.C.4.

DRAPER, JOSEPH, Clerk to W. A. Deevy (W. A. Deevy & Co.), 29, Barronstrand Street, Waterford.

DUGDALE, STANLEY, Clerk to R. A. Corner (Rd. Corner & Jones), Wellington Buildings, Strand, Liverpool, 2.

DYAS, EDWARD CHARLES, City Treasurer's Department, The Guildhall, Portsmouth.

ELLIOTT, CLIFFORD WILLIAM, Clerk to Clifford J. B. Andrews, 43A, Poole Road, Bournemouth.

ELLIS, STEUART, Clerk to Hodgson, Harris & Co., Bank Chambers, Parliament Street, Hull.

EVANS, BENJAMIN STURGES, Clerk to Turquand, Youngs & Co., 19, Coleman Street, London, E.C.2.

EVANS, WILLIAM GIRDLER, Clerk to E. L. Molyneux (J. Wallace Williams & Co.), 5, St. Andrew's Crescent, Cardiff.

FARGHER, JOHN GELLING, Clerk to B. Sugden, St. George's Chambers, 1, Athol Street, Douglas, I.O.M.

FIELDS, JOHN CHRISTOPHER, Clerk to L. G. F. Waddington (Bell & Watson), 2, St. Sepulchre Gate, Doncaster.

FRANCIS, HARRY SAUNDERS, County Accountant's Department, East Suffolk County Council, County Hall, Ipswich.

FULTON, ARTHUR, B.A., H.M. Inspector of Taxes, 7, Redford Road, Higher Crumpsall, Manchester, 8.

GARDNER, STANLEY ARTHUR, Clerk to Thorne, Lancaster & Co., 46, Basinghall Street, London, E.C.2.

INTERMEDIATE—(Continued)

- GARDNER, WILLIAM JAMES DOUGLAS, Clerk to Keens, Shay, Keens & Co., 11, George Street West, Luton.
- GOULD, CHARLES CLIFFORD WARBOYS, Clerk to Charles E. Harper (Harper & Broom), 3-4, Clements Inn, Strand, London, W.C.2.
- GREENWOOD, EDWARD MILLAR, Clerk to T. Schofield Smith (Horsfield & Smith), Belgrave Place, 8, Manchester Road, Bury.
- GURNEY, HAROLD FRANK, Accountant's Department, Metropolitan Water Board, 173, Rosebery Avenue, London, E.C.1.
- HAMILTON, GEORGE CLIFFORD, Clerk to Alfred S. James (R. Duncan French & Co.), 17, North John Street, Liverpool.
- HARGRAVE, THOMAS BERESFORD, Clerk to Stafford B. Rudkin, Triumph House, 185-191, Regent Street, London, W.1.
- HARGREAVES, JOHN FREDERICK, Clerk to F. E. Hatfield (Hatfield, Dixon & Co.), 37, Walbrook, London, E.C.4.
- HARTLEY, BASIL ROBERT, Clerk to Fred A. Prior (Prior & Palmer), General Buildings, Bridlesmith Gate, Nottingham.
- HARTWELL, DONALD, Clerk to C. F. Rumble (Clarkson & Rumble), 16-17, Devonshire Square, London, E.C.2.
- HEAL, RICHARD, Clerk to Spain Brothers & Co., 26, High Street, Chesham, Bucks.
- HILL, WALTER HENRY, Clerk to Vaughan & Gregg, Lloyds Bank Buildings, King Street, Manchester, 2.
- HORNEGOLD, STANLEY ROBERT EDWARD, Clerk to Viney, Price & Goodyear, Empire House, St. Martin's-le-Grand, London, E.C.1.
- HOSSAIN, MIRZA MOHAMMED, B.A., formerly Clerk to Muir, Moody & Co., 20, Newgate Street, London, E.C.1.
- HYDE, KENNETH, Clerk to W. A. Sparrow, Town Hall, Eastbourne.
- INCE, FREDERICK ROBERT, Clerk to Lucas, Warley & Lucas, Brettenham House, Waterloo Bridge, Strand, London, W.C.2.
- INGLE, EDWARD, Clerk to Ernest Longbottom (Auker, Horsfield & Co.), 21, Forster Square, Bradford.
- JENKINS, LESLIE WALTER, Clerk to N. M. Clarke-Lens (Clarke-Lens & Clarke-Lens), St. Paul's House, 49-50, Newgate Street, London, E.C.1.
- JORDAN, ARTHUR DENNIS GEORGE, Clerk to Arthur Gait, 30, High Street, Newport, Mon.
- KENT, WALTER, Borough Treasurer's Department, Holloway Chambers, Priory Street, Dudley.
- KNOWLES, JOHN, Clerk to J. W. Davidson, Cookson & Co., 515, Martins Bank Buildings, 6, Water Street, Liverpool, 2.
- LAKE, NOEL JOHN, Clerk to J. V. Couzens (Hunt, Hopkins & Young), 3, Victoria Crescent, Bradford Road Junction, Portsmouth.
- LEARY, WILLIAM RICHARD DAVIS, Clerk to J. H. Barton, 13, Anglesea Street, Dublin.
- LEWIS, FRANCIS RAYMOND, Clerk to G. Glanville Mullens, 49, Station Road, Port Talbot.
- LEYLAND, BERTRAM JAMES, Clerk to Bretherton, Hurst & Co., Century Buildings, 31, North John Street, Liverpool, 2.
- LITTLEWOOD, GEORGE RONALD, Clerk to W. G. Hawson & Co., Hartshead Chambers, Sheffield, 1.
- LLOYD, JOHN HUTTON, Clerk to Frank Beattie & Co., Westminster Bank House, 3, York Street, Manchester 2.
- LOCKWOOD, ALWYN LESLIE, Clerk to Gordon Ball (Chipchase, Wood & Co.), Springstone House, Ossett.
- LODGE, WILLIAM FRANCIS, Borough Treasurer's Department, Municipal Buildings, Southend.
- LOMAS, MARK ANTONY ELSTON, Clerk to Thomas Eaves (Thomas Eaves & Co.), 19, South John Street, Liverpool, 1.
- MCDERMOTT, JOHN PATRICK, Clerk to Purtil & Company, 33-34, Anglesea Street, Dublin.
- McKENZIE, RONALD, Clerk to R. C. Black, 103A, Empire House, St. Martins-le-Grand, London, E.C.1.
- McLAREN, RICHARD McKENZIE MOORE, Clerk to R. A. Slipper (Slipper & Co.), Bridgeway House, Bridge Road, Hammersmith, London, W.6.
- MACER, THOMAS HAROLD, Clerk to W. G. Strachan (Martin, Farlow & Co.), 34-36, Gresham Street, London, E.C.2.
- MADGE, REGINALD WALTER, Clerk to Henry W. West (H. W. West & Co.), 618, Romford Road, Manor Park, London, E.12.
- MAGEE, DERMOT NICHOLAS PATRICK, Clerk to Percy E. Slack (Silversides, Slack & Barnsley), 44, Bedford Row, London, W.C.1.
- MAGGS, ARTHUR JOHN MELBOURNE, Clerk to O. Harrison Smith (Harrison Smith & Haughton), 6A, North Parade, Bath.
- MANNING, FRANCIS GEORGE FREDERICK, Clerk to W. G. Kay & Co., Melbourne House, Aldwych, London, W.C.2.
- MARRINER, HARRY, Clerk to S. R. Fuller (S. R. Fuller & Co.), 39, Albion Street, Leeds.
- MARSHALL, ARTHUR, Clerk to Bradfield, Dominy & Flint, Midland Bank Chambers, Mansfield.
- MARSHALL, CECIL, Clerk to Percy V. Wheeler (Harper, Kent & Wheeler), Old Bank Buildings, Bellstone, Shrewsbury.
- MATHEWS, LESLIE ALAN, Clerk to W. R. Clarke (J. A. Kinnear & Co.), Provincial Bank Chambers, 3-4, College Street, Dublin.
- MATHEWS, SYDNEY ALBERT MANN, Clerk to Kemp, Chatteris, Nichols, Sendell & Co., 36, Walbrook, London, E.C.4.
- MEAD, BASIL KENNETH, Clerk to G. E. Holt & Son, 8, Cook Street, Liverpool, 2.
- MELVILLE, KENNETH RUTHVEN, Clerk to Joseph Butler (Brown, Butler & Co.), 66, Albion Street, Leeds.
- MERCHANT, GULABSIKH MATHURADAS, B.A., formerly Clerk to Dalal & Shah, 49, Apollo Street, Fort, Bombay.
- MILES, GEOFFREY FRANCIS KITCHENER, Clerk to Sidney Dudbridge (S. J. Dudbridge & Sons), 8, Lansdown, Stroud, Glos.
- MILNE, DOUGLAS WILSON, Clerk to Brooks, Williams & Co., 37, Lombard Street, London, E.C.3.
- MOLLART, ROBERT DOUGLAS HAIG, Clerk to A. Bewley, Town Hall, Salford, 3.
- MORRIS, JAMES DONALD, Clerk to Bournier, Bullock & Co., 36, Derby Street, Leek, Staffs.
- MORRIS, PERCY CURTIS, Treasurer's Department, County Council of York, East Riding, County Hall, Beverley.
- MUKHARJEE, SUNIL KUMAR, B.A., formerly Clerk to G. Basu & Co., Salisbury House, 3-1, Bankshall Street, Calcutta.
- MULLETT, ERIC, Clerk to Harold E. Clarke & Co., 8, Newhall Street, Birmingham, 3.
- MURPHY, DENIS CHARLES, Clerk to L. M. Bayliss (Gentle, Bayliss & Co.), 45, South Street, Chichester.

INTERMEDIATE—(Continued)

- MURPHY, WILLIAM, Clerk to J. N. Godkin (Herbert Godkin & Co.), Priory Chambers, St. Martins, Leicester.
- NEWALL, HARRY, Clerk to Percy R. Hayes, Midland Bank Chambers, High Street, Wrexham.
- NEWBY, HERBERT, Clerk to Robert B. Walker, 1, Richmond Terrace, Blackburn.
- NEWSOME, ROBERT, Clerk to John L. Moger, Martins Bank Chambers, Cleckheaton.
- NOAKES, ERNEST, City Chamberlain's Office, 285, George Street, Glasgow.
- OTTAWAY, WILLIAM ROBERT HENRY, Clerk to Josolyne, Miles, Page & Co., 28, King Street, Cheapside, London, E.C.2.
- PATTISON, JAMES ERNEST, Clerk to J. E. Pattison, 8, West Street, Gateshead-on-Tyne.
- PEARSON, CLIFFORD, Clerk to Theo. S. Sheard, Vickers & Winder, 34, Castle Street, Liverpool, 2.
- PHILLIPS, ALBERT MOYSE, Clerk to John Airey & Co., Produce Exchange Buildings, 8, Victoria Street, Liverpool, 2.
- PHILLIPS, PERCY, Finance Department, Bedwellty Urban District Council, Council Offices, George Street, Aberbargoed, Bargoed, Glam.
- PITMAN, HENRY FREDERICK, Clerk to L. N. Vizard (Lewis Vizard & Son), 2, Clarence Parade, Cheltenham.
- PLUMTREE, CHARLES HENRY, Clerk to Roy Kendall, Park Square Chambers, Leeds.
- POLDEN, GRAY, Clerk to Cash, Stone & Co., 48, Copthall Avenue, London, E.C.2.
- POTTS, HARRY GORDON, Clerk to Donald H. Bates (Donald H. Bates & Co.), 10-12, Cheapside, Hanley, Stoke-on-Trent.
- POULTER, LAURANCE, Clerk to H. N. Bostock (Carter, Pattimore & Bostock), Union Bank Chambers, Market Place, Huddersfield.
- PRICE, WILLIAM ELWYN, Clerk to W. H. Shallard Rees (Rees & Son), 1, Charlesville Place, Neath, Glam.
- PUGH, ROYSTON CHARLES, Clerk to Alfred E. Pugh, Carlton Chambers, Newport, Mon.
- PURDAM, ISAAC, Clerk to R. Simpson Duthie (Duthie, Thompson & Co.), 36, Lowther Street, Carlisle.
- PURSELL, BERTRAM JOHN, Clerk to Percy V. Wheeler (Harper, Kent & Wheeler), Old Bank Buildings, Bellstone, Shrewsbury.
- PYMAN, GEORGE ALFRED FRANK, Clerk to L. M. Bayliss (Gentle, Bayliss & Co.), 45, South Street, Chichester.
- REDDAWAY, JACK, Clerk to C. S. Moores, 15, Bedford Circus, Exeter.
- REED, HARRY CLIFFORD, Clerk to J. H. Simmonds, 44, Albert Road, Middlesbrough.
- ROSS, JAMES ALEXANDER LAWSON, Clerk to A. F. Huntley (A. F. Huntley & Young), Bank Chambers, 85-87, High Street, Lewisham, London, S.E.13.
- RUSSELL, FRANK BERNARD, Borough Accountant's Department, Town Hall, Douglas, I.O.M.
- SCARBOROUGH, FRANK ERNEST, Borough Treasurer's Offices, Hampstead Borough Council, Town Hall, Haverstock Hill, London, N.W.3.
- SCOTT, DONALD HUBERT, Clerk to Boyce, Welch & Co., 3, Piccadilly, Bradford.
- SEATON, GEOFFREY HAYNE, Clerk to G. F. H. Shipton, 3, Unity Street, College Green, Bristol.
- SHARP, ARTHUR LESLIE MCKENZIE, Clerk to F. A. Webber, British Dominions House, St. Augustine's Parade, Bristol.
- SHIRLEY, STANLEY DOUGLAS, Clerk to C. Herbert Smith & Russell, Eden Place Chambers, 71, Edmund Street, Birmingham, 3.
- SHOESMITH, FREDERICK WILLIAM, Accountant's Department, Metropolitan Water Board, 173, Rosebery Avenue, London, E.C.1.
- SILLITOE, REGINALD, Clerk to A. Brodie (J. Paterson Brodie & Son), Moor House, Moorland Road, Burslem, Stoke-on-Trent.
- SMITH, KENNETH HERBERT, Clerk to G. Leonard Foulds, Federation Chambers, Wheeler Gate, Nottingham.
- SMITH, LESLIE, Borough Treasurer's Department, Town Hall, Sunderland.
- SMITH, ROLAND CHESTERFIELD, Clerk to Learoyd & Longbottom, 2, Princes Square, Harrogate.
- SOUTHGATE, RONALD JOSEPH, Clerk to F. Dubois (Dubois & Co.), 2, Bloomsbury Place, London, W.C.1.
- SPENCER, CHARLES ALFRED, Clerk to W. H. Rhodes (Newby, Dove & Rhodes), 10, Grey Friars, Leicester.
- SPREADBROW, FREDERICK GEORGE, Clerk to H. E. Davis, 83, Fore Street, London, E.C.2.
- STAMMERS, JOHN KINGSLEY, Clerk to Herbert P. Gowen (Hartman & Gowen), 7, Queen Street, Norwich.
- STANBURY, ALFRED WILLIAM BASIL, Clerk to Herbert Townsend (Townsend, Watson & Stone), 4, The Broadway, Crouch End, London, N.8.
- STEELE, WILLIAM NOBLE, Clerk to Peat, Marwick, Mitchell & Co., Guildhall, Newcastle-upon-Tyne.
- STEWART, HAROLD, Clerk to Charles. O. Nicholson & Co., 66, John Street, Sunderland.
- STONEHAM, FREDERICK CHARLES, Clerk to C. N. Walter (C. N. Walter, Lester & Co.), 290, Finsbury Pavement House, London, E.C.2.
- STRONG, WILLIAM, Clerk to Thomas Rodger, Percy Chambers, 29, Grainger Street West, Newcastle-on-Tyne.
- SWAIN, SIDNEY WILLIAM, Clerk to Edwin G. Pulsford, 233, High Street, Poole.
- TEDCASTLE, ALAN, Clerk to Frederick Griffith, 31A, Strickland Gate, Kendal.
- TODD, EDWIN DESMOND BURLING, Clerk to H. Brown, Guildhall, Rochester.
- TOPPER, MARJORIE, Clerk to W. Claridge & Co., 16, Leeds Road, Bradford.
- TRESEDER, RICHARD BRUCE, Clerk to R. H. March, Son & Co., Cambrian Buildings, Mount Stuart Square, Cardiff.
- TRUSCOTT, DENIS GUY, Clerk to Pawley & Malyon, Finsbury Court, Finsbury Pavement, London, E.C.2.
- TUDDENHAM, ERIC ALFRED, Accountant's Department, Town Hall, Felixstowe.
- TURNER, JACK NORMAN, Borough Treasurer's Department, Municipal Offices, Rotherham.
- VENTER, THOMAS KENNETH, Clerk to Hodgson, Harris & Co., Bank Chambers, Parliament Street, Hull.
- WADLEY, LESLIE DOLPHIN, Accountant's Department, Metropolitan Water Board, 173, Rosebery Avenue, London, E.C.1.
- WADWELL, GEORGE, Clerk to Hodgson, Harris & Co., Bank Chambers, Parliament Street, Hull.
- WAINWRIGHT-FAHEY, CECIL JOSEPH, Clerk to E. G. Bourne & Co., Terminus Chambers, 6, Holborn Viaduct, London, E.C.1.
- WALKER, JAMES ARTHUR, Clerk to Henry V. Oliver (Oliver & Spence), 67 and 68, Scottish Provident Buildings, 7, Donegall Square West, Belfast.
- WALLEY, ERNEST, Clerk to Shuttleworth & Haworth, Lloyds Bank Buildings, King Street, Manchester, 2.
- WARBRICK, RICHARD, formerly Clerk to F. A. Cawson, Webster & Co., 34, Castle Street, Liverpool.
- WARNER, WILLIAM SCOTT, Clerk to Thornton & Thornton, 3-4, King Edward Street, Oxford.

INTERMEDIATE—(Continued)

- WETHERILL, SIDNEY GEORGE, Clerk to Hill, Vellacott & Co., Finsbury Circus House, Blomfield Street, London, E.C.2.
- WHEELER, MOSES, Clerk to W. J. Padget (H. Davey & Co.), 1, Crown Court, Wakefield.
- WHITE, ARTHUR IAN GEOFFREY, Clerk to Arthur M. White (White & Crowe), Erskine Chambers, 15, Grainger Street West, Newcastle-on-Tyne.
- WILLIAMS, ARTHUR LIONEL ALFRED, Clerk to Fookes, Wyatt, Williams & Hickman, 796, Salisbury House, London Wall, London, E.C.2.
- WILSON, ALFRED REUBEN, Borough Accountant's Department, Municipal Offices, Guildford.
- WILSON, GEOFFREY, Clerk to Bramwell Collinge (Collinge & Halstead), Tower Chambers, 30, Spring Gardens, Manchester, 2.
- WITTLETON, GEORGE JOHN, Clerk to Deloitte, Plender, Griffiths & Co., 5, London Wall Buildings, Finsbury Circus, London, E.C.2.
- WOODYER, NORMAN WILLMAN, Clerk to S. Woodyer (Blease & Sons), 309, India Buildings, Water Street, Liverpool.
- WOOLDRIDGE, ARNOLD LEONARD, Clerk to Clarke, Dovey & Co., 28, Rutland Street, Swansea.
- YOUNG, FREDERICK CHARLES, Clerk to Arthur J. Smith (Arthur J. Smith & Co.), 548, Chiswick High Road, London, W.4.
- YOUNG, ROLAND, Clerk to C. A. Jakeman (Critchley & Co.), 12, Stert Street, Abingdon.

SUMMARY :—

- 6 Candidates awarded Honours.
176 Candidates passed.
224 Candidates failed.
406 Total.

Passed in Preliminary.

Order of Merit.

- METHVEN, THOMAS, Friarsdale, Linlithgow. (First Place Certificate.)
- PALMER, HERBERT HENRY, 11, Guildford Street, Hereford. (Second Place Certificate.)

Alphabetical Order.

- AIMSON, HARRY WORSLEY, Heath House, Rudheath, Cheshire.
- ALLCHURCH, ALFRED ERNEST, 36, Childers Street, London, S.E.8.
- ATKINSON, WALTER SUNLEY, 21, Colwyn Road, West Hartlepool.
- BAZELL, WILLIAM EDWARD, 48, Clapham Park Road, London, S.W.4.
- BERRY, IDRIS LAWTON, 56, Carrhill Road, Mossley, near Manchester.
- BROOMAN, WALLIS HARVEY, 4, Fieldend Road, Streatham, London, S.W.16.
- CHILIMNICK, JACK, 35, Oxford Gardens, North Kensington, London, W.10.
- CLARKE, STANLEY JOHN, 29, Audley Road, Colchester.
- COLEMAN, WALTER BRIAN, 11, Washway Road, Sale, Cheshire.
- COOK, KENNETH, 89, Grosvenor Road, Forest Gate, London, E.7.
- CUMMING, JAMES, 54a, Brondesbury Villas, London, N.W.6.
- DIXON, SIDNEY ARTHUR, 27, Walbrook, London, E.C.4.

- GEDGE, EDWARD, "Tresco," Mill Lane, Shoreham-by-Sea.
- HAINS, FRANK CHRISTOPHER GUY, Colwyn, Gaywood Road, King's Lynn.
- HODGSON, JACK, 5, Haincliffe Road, Ingrow, Keighley.
- HUMPHREY, ERNEST CECIL, "St. Andrews," Brockham Lane, Betchworth, Surrey.
- IVES, PHILIP LIONEL, 55, Pleasance Road, Roehampton, London, S.W.15.
- KERR, HAROLD SAMUEL, Cabra, Legacurry, Lisburn, Co. Down.
- KHAMBATA, VICTOR DOUGLAS, 84, Highlever Road, North Kensington, London, W.10.
- KRAUTENFELD, LEON, 10a, Manor Parade, London, N.16.
- MACKELDEN, NORMAN EDGAR, Hoo-Ness, c/o Gillingham Gate, Chatham Dockyard.
- MCCAY, HENRY, 42, Duke Street, Londonderry.
- MCCULLOUGH, ALEXANDER, 1, Daffodil Cottages, Longlands, Whitehouse, Belfast.
- MCMANUS, RALPH, 2, Trinity Cottages, Alexandra Road, Bathside, Harwich.
- MARTIN, WILFRED, The Gardens, Fox Hills, Chertsey, Surrey.
- MASTERS, ALFRED SAMUEL, 202, Seely Road, Tooting, London, S.W.17.
- MIDDELBOE, BERNHARD EDWARD, 45, Fordington Road, London, N.6.
- MITCHELL, JOHN STEPHEN, 382, North Road, Hull.
- NEWELL, DENNIS PERCIVAL, Craigielea, Hoo Road, Kidderminster.
- STEPHENS, EDWARD GORDON, 23, Groveland Road, Beckenham.
- STEVENSON, WILLIAM SMITH, Grianan, Demesne Road, Holywood, Belfast.
- STREET, HENRY ALVIN EDWARD, 190, Upper Kennington Lane, London, S.E.11.
- STREET, HORACE NORMAN, 9, Cecil Road, Stretford, Lancs.
- STUBBS, JACK LESLIE, 4, Park Road, Guildford, Surrey.
- THICKETT, THOMAS WILLIAM, 126, Alverthorpe Road, Wakefield.
- THORP, KENNETH BOWDEN, 25, Stamford Square, Cockbrook, Ashton-under-Lyne.
- VERNON, JOSEPH CLIFFORD, 88, Great Norbury Street, Hyde, Ches.
- WIDDUP, STANLEY, 13, Elmstead Road, Seven Kings, Essex.
- WOOD, THOMAS, 26, Granite Street, Oldham, Lancs.
- WORLEY, HORACE EDWIN ROBERT, Stanion Road, Brigstock, Kettering.

SUMMARY :—

- 2 Candidates awarded Honours.
40 Candidates passed.
36 Candidates failed.
78 Total.

On Tuesday, December 10th, *The Times* issued a supplement in connection with the Centenary of Local Government established by the Municipal Corporations Act of 1835. The supplement contained a number of articles, among which was one on Municipal Finance by Mr. Arthur Collins, F.S.A.A.

Newcastle-upon-Tyne and District Society of Incorporated Accountants

ANNUAL DINNER.

The annual dinner and dance of the Incorporated Accountants' Newcastle-upon-Tyne and District Society was held at the Royal Station Hotel, Newcastle, on Friday, December 6th. Mr. M. H. GROVES, the President of the District Society, who was accompanied by Mrs. Groves, occupied the chair, and amongst those present were the Lord Mayor of Newcastle (Alderman W. Locke, J.P.) and Mrs. Locke, Mr. R. Wilson Bartlett, J.P. (President of the Society of Incorporated Accountants and Auditors), Councillor H. L. Hogg, J.P. (Mayor of West Hartlepool) and Mrs. Hogg, Alderman J. White, J.P. (Mayor of Gateshead) and Mrs. White, Mr. A. D. Minton-Senhouse (Registrar, Newcastle County Court), Councillor W. H. Crosthwaite (Middlesbrough), Mr. J. R. Hall (President of the Newcastle Incorporated Law Society) and Mrs. Hall, Mr. C. B. Fenwick, M.A. (Recorder of Doncaster) and Mrs. Fenwick, Mr. W. B. Westcott (President, Institute of Bankers, Newcastle Centre) and Mrs. Westcott, Mr. G. S. F. Ritson (Secretary, Newcastle and Gateshead Chamber of Commerce) and Mrs. Ritson, Mr. R. W. A. McDonald (President, Insurance Institute of Newcastle) and Mrs. McDonald, Prof. D. J. Jack, M.A., Sir Nicholas Grattan-Doyle, M.P., Col. B. Peatfield (Clerk to the Income Tax Commissioners) and Mrs. Peatfield, Mr. E. E. Edwards, B.A. (Parliamentary Secretary of the Society of Incorporated Accountants), Mr. C. L. Hamer (Middlesbrough), Mr. W. A. Nixon (President, Manchester District Society) and Mr. Halvor Piggott (Hon. Secretary, Manchester District Society) and Mrs. Piggott, Mr. O. Coope (President, Yorkshire District Society), Mr. E. Lund (President, Cumberland District Society), Mr. N. Dunn (President, Northern Society of Chartered Accountants), Mr. A. Morris (President, North-East Coast Association of Chartered Secretaries) and Mrs. Morris, Mr. P. J. McClellan (Official Receiver), Mr. R. Riddell (President, Northern Branch, London Association of Accountants) and Mrs. Riddell, Mr. J. W. Richardson (Hon. Secretary, Sheffield District Society), Mr. S. Scotter (President, Hull District Society) and Mrs. Scotter, Councillor W. R. Wallace, J.P. (Sheriff of Newcastle) and Mrs. Wallace, Councillor C. T. Fortune and Mrs. Fortune, Major T. J. Groves and Mrs. Groves, Mr. W. P. Sawyer (Inspector of Taxes) and Mrs. Sawyer, and Mr. J. E. Spoors (Hon. Secretary, Newcastle District Society).

The CHAIRMAN (Mr. M. H. Groves), in proposing the toast of "The City and County of Newcastle-upon-Tyne," recalled that it was the second time he had presided over a gathering and proposed that toast. By tradition, the toast included all that appertained to the welfare and well-being of the North-East Coast, and, as the city of Newcastle was the natural capital of the North-East, prosperity to Newcastle and Tyneside meant prosperity to the whole of the North-East. He congratulated the Lord Mayor and Lady Mayoress on the honour which had been conferred upon them by their fellow-citizens: it had been earned by many years of public service, and he felt sure it would be borne with dignity. In considering the toast of the City and County of Newcastle-upon-Tyne he was reminded that the country was celebrating the centenary of local government, and it was at once the pride and the pleasure of the country that throughout such a long period it had always found men and women ready to give their best service for the continuance of satisfactory local government. He trusted that, notwithstanding the

expansion of municipalities and the widening of their scope and influence, they would always be favoured with the disinterested service of men and women who were willing to serve the community. In that, knowing the very great dependence that must be placed on the advice of officials, it was a pleasure to know that many members of the accountancy profession were serving on the municipalities and advising on matters of administration. He was glad to know that the Lord Mayor was continuing and extending the work of his predecessors in promoting a committee to bring together all interests to make work for the district. During the past year, he was glad to see, orders for ships had been coming into the area, while trade orders had been multiplied. This had brought with it work to the heavy industries, which in turn had benefited a train of other industries, and all this helped in contributing to the trade of the district. The district was, however, still a long way from being prosperous, and while a year ago they were wondering what the Commissioner for the Special Areas (Mr. P. Malcolm Stewart) was going to do, they were now wondering what his report was going to give to the area. They were accustomed to speak of the Government as a sleeping partner in every business because of the amount it extracted by taxation, but because of tariffs and various other methods by which the Government sought to assist manufacturing they were confident the Government was going to become a very active partner. It was promised that the Government was going to gather data on which to base grants and assistance. In that case accountants would be more and more necessary for industry, and their assistance would be more and more useful to manufacturers in estimating the different factors in modern business. (Applause.)

The LORD MAYOR (Alderman W. Locke, J.P.), responding, said the City of Newcastle had nothing to be ashamed of and was not trying to live on its past laurels. It had been foremost in everything that was worth doing, and the people were not despondent for the future, but they could say as citizens they were concerned about the future. They had been relying to a very great extent upon their heavy industries, but he was certain they would be able to adjust themselves to changing conditions. They were also wondering what would happen to the coal industry, but he prophesied that a great many things were going to be obtained from coal. He believed that they looked forward to the future not with despair but with a clear mind and an outlook on world affairs. What was required was to give up thinking parochially or even nationally, because the world to-day was very changed from the world into which he was born. The world's assets to-day were such that, if common sense and the wonderful knowledge gained through education were applied, society could be so adjusted that men and women could live the life they dreamed of 20 years ago. Tyneside had nothing to be disturbed about, for he believed they had the staple industries necessary and men with brains and skill who would carry them to greater and wider things. (Cheers.)

The SHERIFF, also responding, referred to a recent meeting called by the Lord Mayor to deal with the question of unemployment, and expressed the opinion that some very fine results might be expected of the conference in the near future. He appreciated being connected with the toast, and hoped that on some future occasion he would have the opportunity of being among them again.

Councillor W. H. CROSTHWAITE (Middlesbrough), a director of Messrs. Dorman, Long & Co., Ltd., proposing "The Society of Incorporated Accountants and Auditors," said he noticed that it was becoming increasingly common for professional societies such as theirs to invite

commercial men to speak to them on suitable occasions. The District Secretary (Mr. Spoors) had very kindly sent him some particulars of their Society, and very probably thought he would make use of them that evening, but he did not propose to weary them with a recital of the particulars. He presumed they were familiar with the objects of the Society, its work during the past 50 years, and the many great men who had been connected with it. He proposed to suggest where they might render greater service to their clients than they had done. He wanted to be helpful, and hoped that if, in saying what he was about to say, he happened to be candid they would appreciate that he intended to be well-meaning. The training of accountants, their habit of mind, their ultra-cautiousness very largely unfitted them for a commercial career. If he might say so without offence, they were too cautious and too academic in their approach to the problems their clients gave them to solve from time to time. There were many notable exceptions to that indictment—men who ceased to be slaves to their profession and used their professional knowledge to pave the way to greater service and greater rewards. These were the men who had become commercially-minded, and glittering prizes were well within their grasp. Just as commercial men, however good their knowledge of accountancy might be, hesitated to set up as accountants, so accountants, however wide their experience might be, hesitated to set up their opinions against those of practical business men. Instances were not lacking of accountants who had given up their practices to become members and even chairmen of the boards of large companies, and their counsel was extremely valued by their colleagues. It was his privilege to have as colleague on more than one board an accountant who had given up his practice and gone into commerce. The contributions these men made to the problems that had to be dealt with were, indeed, very valuable. It was not given to all of them to aspire to those positions, but he thought they could do more than they were doing. His advice to them was not to be content to be mere auditors or to prepare balance sheets—very important though that was—but to acquit themselves for a greater sphere of influence and activity. It was not only in the realm of commerce they could serve the community. He had noticed over a period of years that they appeared to be very reluctant to take part in public affairs, except in an advisory capacity, but there was very valuable work for them to do there, and it was beyond his conception why they had not accepted those responsibilities. It might be that their calm and unruffled temperaments unsuited them to the heat of elections, but he suggested that the very temperament which was so soothing to those who in a difficulty sought their advice would be equally acceptable in a room where the air got a little hot. In the development of industry on Tyne-side there was very little doubt that the many schemes that would be put forward would require sifting and would need the analytical mind which they possessed. Their advice on those schemes would be greatly welcomed by the committee which had the power to put the plans forward or to hold them back. (Cheers.)

Mr. R. WILSON BARTLETT, J.P. (President, Society of Incorporated Accountants and Auditors), responding, thanked Councillor Crosthwaite for the kind, critical and suggestive manner in which he had proposed the toast of the Society, and having regard to his wide experience in many public spheres he could not imagine anyone better fitted to propose such a toast. He commended all Councillor Crosthwaite's criticisms and suggestions to every member of the Society. On many occasions the duties of accountants were extremely onerous. They were often called upon to act in a fiduciary capacity and

were in honour bound to secure equity as between their clients and other persons. On the other hand, owing to their diverse practice, they were on many occasions in a position to collate facts and give advice in relation to various industries and trades, as for instance, the coal industry. Most of them were aware that he came from a port on the Bristol Channel, a district like their own closely interested in the export of coal. Between them these two districts were responsible for some 75 per cent. of the export of coal from the United Kingdom. The wages of the men had gone down and were to-day roughly one-half of what they were in 1920. The output, on the other hand, per man shift had gone up something like 2½ cwt. The price of coal at the pit head had dropped considerably. The profits of most of the districts had practically disappeared. In Northumberland the most recent ascertainment showed a profit of 6.3d. per ton, while in his own area there was a loss of 2.62d., which did not leave much for the demands of the miners. The Bridgeman Committee, which was called to decide wages in the South Wales area, reported that the available figures of pit-head prices did not give a complete picture of the profits and losses in the coal industry. That, he thought, very largely summarised the general complaint of the men at the present time. From his own knowledge and no doubt to the knowledge of many accountants present, in certain areas some companies had combined and controlled both the producing and distributing sides of the industry. Many also had foreign marketing subsidiaries, and some even controlled the companies from which they bought their stores and pitwood, &c., at high prices. All these things helped to show a loss or to deflate the profit of the coalfield. Under the Coal Act of 1930 each district had to prepare a marketing scheme setting forth the minimum selling price for each class of coal, and in many places, with the possible exception of Scotland, the minimum had become the maximum price. As a result it was possible certain benefits had been obtained, but it was extremely doubtful whether they would be of any assistance whatever in dealing with our foreign trade. In his opinion there had been two causes which had very largely contributed to the large drop in the export of coal from the United Kingdom. These were the publication of minimum prices, which enabled foreign competitors to quote prices a few pence lower, and the marketing schemes as at present established which seemed to be killing initiative, personal enterprise, and the spirit of adventure on the part of exporters. Paying tribute to his predecessor, the late Sir James Martin, he mentioned that it had been decided to found educational exhibitions, known as the Sir James Martin Exhibitions. There would be two each year to the value of £50, which would be awarded to successful articled clerks at the Intermediate examinations, commencing May next. In addition, it had been decided to give members an individual opportunity of expressing their appreciation of the benefits they had derived from the work of Sir James by contributing to a permanent endowment to be raised as part of the Incorporated Accountants' Benevolent Fund, and to be known as "The Sir James Martin Memorial Fund." It was hoped that altogether £10,000 would be contributed. (Applause.)

The toast of "Our Guests" was briefly proposed by Mr. C. L. HAMER, of Middlesbrough, and responded to by Sir NICHOLAS GRATTAN-DOYLE, M.P. for Newcastle North.

Mr. W. A. NIXON, President of the Manchester Society of Incorporated Accountants, proposed the toast of "The President of the Incorporated Accountants' Society of Newcastle and District," to which Mr. GROVES replied.

Company Taxation and the Shareholder.

A LECTURE delivered to the Incorporated Accountants' Students' Society of London and District by

MR. H. GOITEIN, LL.D.

Mr. E. PORTLOCK, F.C.A., Incorporated Accountant, occupied the chair.

MR. GOITEIN said: I think I had better begin by making a little confession. When I received your flattering invitation to address you I happened to be dealing with a point of mixed Company Law and Taxation which bothered me, and when I had made up my mind about it, or thought I had, it occurred to me that it would make a good subject for a lecture. Therefore I jotted it down, and I sent in the title of the paper accordingly, but when I came to look into the subject for your purpose I discovered that it literally bristled with difficulties, and that the number of propositions of law one could lay down with any confidence was surprisingly few. So what I have done is this: I have changed my plans somewhat, and instead of laying down the law, so to speak, *ex cathedra* I am going to put a problem for your discussion. After all, on a matter of this kind many points of view are possible, and I think the relevant law will be best elucidated by a discussion of that nature. Therefore, with your permission, I shall discuss some of the principles and rules which govern this problem, then I will put the problem, and you can discuss it, I believe to the common benefit of us all.

Let us begin with the dividend warrant which I hold in my hand. I cannot help thinking it is familiar to you all, because in one aspect or another it must have interested you, either as company secretaries or as accountants, or—if I may class myself on this occasion with you as a brother in misfortune—as one of those people who have to pay income tax as well as elucidate the law. Now, though I suggest this dividend warrant is familiar enough to you, I would ask you to follow the wording of it very closely because a great deal turns upon the actual form which this statement takes. It is headed, of course, with the company's name. It is dated "London, 26th July, 1935." It is numbered with a serial number and it is addressed to the holder, Mrs. ——. Then you get these words: "One hundred and fortieth (Interim) Dividend. (For the half-year ended the 30th June, 1935.) I beg to send you herewith a warrant for the Interim Dividend on the Shares which you hold in the Bank, as per Statement below.

On 385 'A' Shares of £5 each, £1 paid,	
at the rate of 12 per cent. per annum	
(1s. 2½d. per share)	£23 2 0
Less Income Tax at 4s. 6d. in the £ .. 5 3 11	
	<hr/>
	£17 18 1

Now, if you take it from me that the arithmetic is correct, we may say that so far this statement is unexceptionable, and incidentally I would mention that it follows very closely the statutory provisions which we shall have to deal with in a few moments. It follows the various terms of sect. 33 of the Finance Act, 1924. We will come back to that in a minute.

The dividend warrant then goes on: "I hereby certify that the amount deducted above for Income Tax has been or will be paid by the Bank to the proper Officer for the receipt of Taxes. (Signed) — Secretary." Well, that certification is very puzzling. What does it mean? On the face of it it looks very simple, but once you begin to go deeper into it it is very difficult indeed to find any

meaning which, in cases a little out of the ordinary, will fit the facts at all.

In order to illustrate this, let me take the facts in one of the leading cases in this branch of the law, which show at once how difficult it is to interpret the certification, in order to see what it means and to test its truth. The business carried on by this trading company does not really concern us—it might be any trading company. There were no peculiar circumstances with regard to its work. I have simplified the facts somewhat, but the salient facts, for our purpose, are these. For the year ended June 30th, 1928, the company's statutory income—that is to say, the income which was chargeable to tax—was £15,135. Taking income tax at 4s. in the £, which it was then, the tax payable on that sum was £3,027. The company in that year distributed by way of dividend a gross sum of £45,000. The explanation of the discrepancy between the two figures was this. The company's history, so far as trading was concerned, was a very checkered one. Also, at that time the basis of computation for tax was different. It was on a three years' basis, and so it worked out that there was that sum of £15,135 as chargeable income, while there was this sum of £45,000 distributed by way of dividend.

The principal shareholder, a Mr. Hamilton, owned nearly half the shares. One day he received a dividend warrant in the form I have just described for £20,250, less tax at 4s. in the £, £4,050. Here you have an accountant, a man of the highest honour and integrity, who has certified that £4,050 had been deducted for income tax and had been or would be paid by the company to the proper officer, whereas in fact nothing of the sort had been paid; £3,000 was the total taxation paid in that year. The Revenue never claimed another farthing, and by the time this case came before the Courts there was no question that any further sum could be owing from the company to the Revenue. Those facts are not by any means uncommon.

You will probably ask, as Mr. Justice Rowlatt asked in one of the cases, "Where in the world does this certification come from?" I had always imagined, until I came to prepare these notes, that it appeared in the Schedule to one or other of the Finance Acts. I took the precaution of looking it up and discovered, to my surprise, that it was not there. It was not in the Schedule to the Finance Act of 1924, and it was not in the Schedule to any other Finance Act, and in the end I discovered that it was not statutory at all. I do not know that this adds to the interest of the subject, but it happens to be found in a circular of the Inland Revenue which was first published in 1924. The Inland Revenue, in purported compliance with the section to which I am going to refer in a moment—sect. 33 of the Finance Act, 1924—suggested this form of words. You must not blame the Inland Revenue, because it is very easy to draw up a formula that will comply with the section, but it is a very different matter to draw up a formula that will fit the facts as they arise, and there is no doubt that when this form of words was adopted it was naturally assumed that it would fit almost all the cases, but, in practice, it seems only rarely so to do.

BASIC PRINCIPLES.

As I indicated a few moments ago, the best way of dealing with this problem is to raise a question for discussion, but before I do that I want, if you will allow me, to state some of the propositions of law which govern the position and particularly those about which there can be no question at all. There are certain elementary principles which are beyond cavil, and the only real difficulty is in their application. If some of these principles seem very

elementary to you—because I take it most of them will be familiar to you—I beg of you to have patience, because when you come to test them in the light of peculiar facts they look very different. You may have heard of the experience of the earnest young advocate who was arguing, very lengthily, before the House of Lords. He had the advantage of having been born North of the Tweed, and he was not going to allow any chance to slip. And so he went on slogging away at the well-worn propositions, not noticing that their Lordships were beginning to be a little weary. One of them dropped a discreet hint, but he took no notice. At last one of the elder statesmen turned to the young man and said, "Mr. So-and-So, cannot you assume that their Lordships know a little elementary law?" He replied, "Certainly, my Lord; but I think I should tell your Lordships that that was the only mistake I made in the Court below." (Laughter.) You will therefore forgive me if I begin with some of the elementary principles.

The first proposition I want to lay down is the familiar one that the company is a separate legal entity, distinct from the shareholders. The company is treated as having an objective existence, or, to put it more accurately, the business is treated as having an objective existence, and those who run it stand in some relation or other to the company. That is the proposition—that the company is a separate legal entity—but it is a proposition which it is very unwise to apply too logically, and you certainly must not push it too far. It is absolutely correct; there is plenty of authority for it, but it is very difficult to apply to the ordinary, everyday facts of business life.

Consider for a moment the sort of thing that happens. Everybody knows that a company is bound by the rule of *ultra vires*, but in the case of ordinary private traders each one can trade just as he pleases. It is all very well to say that the company carries on trade as an individual, but does it? As soon as Mr. Potts, the painter, has discharged all his liabilities to the Revenue, he can do what he likes with his money—or rather, as his wife will allow him. (Laughter.) He can go to the cinema, play billiards or cultivate a thirst. Now, Potts, Limited, cannot have a wife; Potts, Limited, cannot have a thirst, and Potts, Limited, cannot go to a cinema, even though the cinema be full of the infuriated shareholders. Everyday incidents of that kind show how difficult it is to apply this principle at all logically.

Let us take an incident from the sphere of taxation. Let us assume that Mr. Potts is, in his spare time, a follower of his fancy on the Stock Exchange—he has an occasional flutter. He meets a pal of his going down the street and that pal hands him £10. No stock or scrip has been bought or sold, but because of Mr. Potts' "investment" he receives £10 from his friend Mr. Douglas Stewart. That £10 is chargeable to tax—at least, I have always understood so. But supposing Mr. Potts, as secretary or managing director of Potts, Limited, meets Mr. Douglas Stewart, his shareholder, in the street, and hands him £10—his dividend—that £10 is not chargeable to tax because, as it was put by Lord Wright in one of the cases, "No new profit is created from the fact that the shareholder gets his share." There is no question about that principle. Payment by the company to an individual shareholder does not create a new profit. You may say, "But did not Mr. Hamilton receive a new profit when the company paid him that dividend?" The answer is that, according to the principle of the law, he did not. It may be difficult to reconcile with common sense, but there is no doubt about the law. No new profit is created from the fact that the shareholder gets his share. So much for the first proposition.

The second proposition is quite consistent with it and, in a sense, follows from it. It is this. The company is a taxpayer in the same sense as an ordinary private trader is a taxpayer. Potts, Limited, is treated on the same footing as Mr. Potts himself. If Potts, Limited, makes a profit, it pays tax on it. But you may ask, "Does Potts, Limited, pay on behalf of its shareholders, because clearly the profits do not as a rule go into the company; they go to the shareholders?" Well, the answer is that the company is not treated as paying on behalf of the shareholders, even though there be only ten shareholders in the company. The company is paying tax as a separate trading entity. Can you say, on the other hand, that the company is an agent for the Revenue—an agent to collect tax from Mr. Stewart and similar people? The answer is, No. The company has to be treated, for all purposes, as a separate taxpaying entity.

I want to read you the statement of law in the case of *Commissioners of Inland Revenue v. Blott* (1921, 2 A.C., 171), because there you find, in the words of Lord Cave, the most authoritative statement of this principle, and here again there is no question about the correctness of it. This is the way he put it: "Plainly a company paying income tax on its profit does not pay it as agent for its shareholders. It pays as a taxpayer, and if no dividend is declared the shareholders have no direct concern in the payment; if a dividend is declared the company is entitled to take from such dividend a proportionate part . . . of the tax . . . paid . . . and the payment by the company operates in relief of the shareholders, but no agency properly so called is involved." I have compressed slightly the second sentence. That statement is comprehensive and really sums up the whole of the law with regard to that position.

My third proposition is this. A shareholder is not entitled as such to anything. The company has a complete discretion as to whether it will declare a dividend or not. The fact that there are profits does not mean that in law the directors are bound to declare a dividend. On the contrary, they are not bound to do anything of the kind. They can proceed on the most conservative of financial principles; provided they act *bona fide* in the interests of the company they can please themselves, and no one, no class of shareholders that happens to be aggrieved and no group of individual shareholders who think they ought to have more, can challenge the discretion of the directors in the courts. Moreover, except for one instance which I do not think we need deal with now, the Revenue cannot challenge what the directors have done. If the directors decide to distribute only a small part of the profit, the Revenue cannot complain. Furthermore, supposing the company or the directors decide on an allocation between capital and income in the interests of their shareholders—assume, for a moment, that it is a small company and the directors know that it will be to the financial advantage of their shareholders to make an allocation in a particular way between capital and income—the directors are entitled to do it and the Revenue cannot challenge it. Supposing the directors decide to capitalise certain profits and to distribute bonus shares, they are perfectly entitled to do so and the Revenue have to abide by it. Those are the three main propositions which I think can be laid down without question, and now we must come to the particular rules of income tax law which govern the matter.

STATUTORY PROVISIONS.

I have had some of these rules which I want to discuss with you typed out, so that you can follow them. It

is no use pretending that Parliament legislates in very clear terms. I suppose in a sense this is plain English, but it is not plain English for the plain man, and it wants a good deal of interpretation.

Let us begin with Rule 20 of the General Rules which govern all Schedules, which you will find appended to the Income Tax Act of 1918. "The profits or gains to be charged on any body of persons shall be computed in accordance with the provisions of this Act on the full amount of the same before any dividend thereof is made in respect of any share right or title thereto, and the body of persons paying such dividend shall be entitled to deduct the tax appropriate thereto." Let us take that clause by clause and see what we have to supply in order to get the full meaning out of it.

First of all, after "The profits or gains to be charged on" you must understand the words "and paid by," and if you look at Miscellaneous Rules to Schedule "D," Rule 1, you will find those words there inserted. Now, "body of persons" includes a company, by virtue of the definition section of the Income Tax Act of 1918—sect. 237: "'on any body of persons,' that is, including a company." As a matter of fact, there is no dispute about that. "Shall be computed in accordance with the provisions of this Act" means, in effect, the Finance Act of the year. Notice these last words: "and the body of persons"—that is to say, the company—"paying such dividend shall be entitled to deduct the tax appropriate thereto." There are two things I would like you to notice in that connection, and the first is this: It is always unwise to be dogmatic in any matter connected with this branch of the subject, but I think I am right in saying that there is no statutory provision and no provision of any kind which makes it the duty of the company to deduct the tax. The words of this rule are "shall be entitled" and there is no other rule, statutory or otherwise, which modifies the sense of that. The question has often been discussed, *obiter*, by the judges in the cases, and I cannot see that there is any positive statement on the point, but I think you may take it as settled law that the company is *entitled* to deduct but is not *bound* to deduct. You will see the significance of that a little later on.

Finally, what they are entitled to deduct is the appropriate tax. I will not say what "appropriate" means now. I do not even know that I shall be able to tell you later on. It is somewhat of a puzzle, but those are the words.

Now let us come on to the Finance Act of 1924, sect. 33. This, fortunately, is plain sailing: "Every warrant or cheque or other order drawn or made, or purporting to be drawn or made, after the thirtieth day of November, 1924, in payment of any dividend or interest distributed by any company, being a company within the meaning of the Companies (Consolidation) Act, 1908, or a company created by letters patent"—that need not worry us—"or by or in pursuance of an Act of Parliament, shall have annexed thereto to be accompanied by a statement in writing showing (a) the gross amount which, after deduction of the income tax appropriate thereto, corresponds to the net amount actually paid; and (b) the rate and the amount of income tax appropriate to such gross amount; and (c) the net amount actually paid." If we hark back a moment to our dividend warrant, we shall see that the first line gives the figure £23 2s., being a dividend of 12 per cent. on the "A" shares. That is the gross amount which, after the deduction of the income tax appropriate thereto, namely, £5 3s. 11d., corresponds to the net amount, £17 18s. 1d., actually paid. "The rate and the amount

of income tax appropriate to such gross amount"—the rate is 4s. 6d. in the £ and the amount is £5 3s. 11d. "The net amount actually paid" is £17 18s. 1d. That also seems simple, but, as you will see in a minute, it involves a question as to the meaning of "net," which is not so clear.

There is only one other section, fortunately, which I need trouble you with, and that is sect. 7 of the Finance Act of 1931. As you have the two sub-sections before you, I propose to read a shortened or compressed version of both sub-sections which will serve our purpose. This is sub-sect. 1: "The provisions of Rule 20 of the General Rules, which authorise the deduction of the appropriate tax from any dividend paid by any body of persons, shall . . . be construed as authorising the deduction of tax from the full amount paid out of profits and gains of the said body which have been charged to tax or which . . . would fall to be included in computing the liability of the said body to assessment to tax for any year if the said provisions required the computation to be made by reference to the profits and gains of that year and not by reference to those of any other year or period."

I am going to leave out a number of words in sub-sect. 2, and I think the remainder will be clear: "A dividend . . . shall . . . be deemed, for all the purposes . . . to represent income of such an amount as would after such deduction of tax as is authorised by the provisions of the said Rule 20 be equal to the net amount received."

Let us take the dividend warrant once again. One interpretation of that sub-sect. 2 is this: A dividend of £17 18s. 1d. "shall be deemed, for all purposes, to represent income of such an amount"—namely, £23 2s.—"as would after such deduction of tax as is authorised"—namely, £5 3s. 11d.—"be equal to the net amount received."

Taking the shortened sense of those rules, let us come to the dispute which arose in *Hamilton's* case. In this case, as Hamilton owned roughly half the shares and as the amount paid in tax was £3,000, he claimed that he should not be assessed in a sum of £20,000 but in a sum of £7,500—roughly half of the figure of the company's income chargeable to tax. It is a logical argument. He owns half the shares; why should he be compelled to pay any more in tax or be treated, for income tax purposes, as having originally paid more than this amount? A very good argument and, on the face of it, one would have thought that it should have succeeded, but as a matter of fact everybody was against him. The Special Commissioners were against him, the Court of first instance was against him, Mr. Justice Rowlatt—as he then was—and the Court of Appeal were against him, and they decided that the only way in which he could be assessed was to follow the strict letter of the rules which we have been laying down. That is to say, he received a dividend warrant for that amount (pointing to figures on the board £20,250); the tax which, making the calculation at 4s. in the £, was appropriate to the amount, was deducted (£4,050), and he received the balance (£16,000) and for all purposes, especially for the purpose of surtax, £20,000 had to be taken as the amount received. Now that was a very serious blow for Mr. Hamilton, but there can be little question that the decision was right, because it does not really conflict with any one of those three principles which I have laid down. It may conflict with common sense but it does not with those principles, and it is in strict accordance with the statutory provisions.

Let us look at the effect of that decision on the meaning of these sections in a slightly different way and come

back to our dividend warrant. If a person receives a net sum of £17 18s. 1d., for all income tax purposes that has to be "grossed up." That is to say, it must be taken to represent a sum of £23 2s. No matter how the shareholder's income may arise, no matter what kind of trading company it is, that has to be regarded as the invariable rule. You get it out of Rule 20 and out of these other sections, and although, of course, this is not material to the understanding of these sections, the practice of grossing up has always been the practice of the Inland Revenue Department.

Look for a moment at the word "appropriate." What is the appropriate tax? Clearly this case lays it down that the only appropriate tax is the tax that is arrived at by doing that arithmetic. There is no other way. No argument can be entertained that because of the nature of the shareholder's holding he ought not to have to pay more than an adequate proportion of the tax paid by the company. "Appropriate" therefore means that you have got to do the arithmetic, and that is all.

NEUMANN'S CASE.

The law, as left by *Hamilton's* case, seemed perfectly clear. You will find the decision reported in *Hamilton v. C.I.R.* (1931; 2 K.B., 495, C.A.). It is always pleasant to have law that is clear, and most people thought, after *Hamilton's* case, that the law was clear. Then arose another difficulty which once again seems to have thrown the law into confusion. Fortunately the facts in this case can be stated very simply. There was a company owing property—very likely familiar to many of you—a building called "Salisbury House," not far from this Hall. In accordance with ordinary practice, that property was assessed under Schedule "A." Now the rents and profits received by the company from letting the various parts of Salisbury House grossly exceeded the amount of the assessment. The Inland Revenue authorities were dissatisfied with the position, and they appealed. They said, "It is perfectly true that this company is assessed under Schedule 'A,' but it also should be assessed under Schedule 'D,' in respect of its profits. Considering the business carried on by the company, those are trading profits." The case went right the way up to the House of Lords, and the House of Lords said, in effect, "No two bites at a cherry. If the Revenue are going to assess a company under circumstances of that kind, they have got to do it once and for all." I think you will all agree, being sympathetic to the taxpayer, that that was a correct decision, but it led to endless difficulty.

While the House of Lords was considering the "two bites" the company set aside a sum of a little over £18,000 to await the decision of the House of Lords. If the House of Lords had decided against them they would have had to pay considerably more tax, and so they put that sum by to meet the contingency. When the House of Lords decided in their favour, what were they to do with it. Clearly they wanted to distribute it to their shareholders. But how? That was the problem. What they did was this. They sent to one shareholder, who is the only person who concerns us at the moment—one Mr. Neumann—a dividend warrant in the form given, for an interim dividend of 5 per cent., made up as follows:—A sum of £5,343, less tax £1,068, leaving a sum of £4,275. Now the company afterwards thought better of it. There never was a sum of £5,000. The utmost that ever was in that fund to divide, so far as Mr. Neumann was concerned, was £4,000, and so they altered their minds and sent him another warrant saying that he was receiving a cheque for £4,275 out of an untaxed sum and that was not to be included in any return for surtax purposes.

Now you would have thought that that was good sense. Naturally the Revenue did not like it, and they contended that it was liable to surtax—that it was not an untaxed sum as indicated. Mr. Neumann appealed, and they both went, by way of appeal and cross-appeal, all the way to the House of Lords, and eventually the House of Lords came to a very difficult decision indeed, and that is the decision I am going to ask you to discuss.

It seems to me that you have one of two possibilities. You can contend, as I think Mr. Justice Finlay did, that as the company had not borne any tax on that particular sum it could not be chargeable to tax in the hands of the shareholders. You remember the principle: "No new profit is created by the shareholder receiving his share," and as this £18,000 had not borne tax in the hands of the company, Mr. Neumann's share could not bear tax when he received it, and therefore he should have been allowed, as the company suggested, to omit the sum from any return made for surtax purposes.

The other possible view is the view maintained by the Inland Revenue. It could not be said that this was an untaxed sum—a sum that had never borne tax—because, by the decision of the House of Lords, the whole profits of that year were only taxable in the amount actually paid. Because, by reason of the assessment, the company had not paid as much as the Inland Revenue would have liked did not alter the position. The company had paid all the tax they were required to pay; therefore the sum left over for distribution to the shareholders was not an untaxed sum. If that is right, then clearly, following the rules which we have been discussing, the sum received by Mr. Neumann must be grossed up. There is no way out of that. Why should not the ordinary rule prevail? Take sub-sect. 2, which says that it must "be deemed for all purposes." It is quite clear. But the House of Lords took a middle course. They said, "This sum must bear tax in the shareholder's hands, but for surtax purposes you enter the sum at £4,000." Why should they have come to that decision? It is very difficult to say. I will tell you in a minute the arguments used by Lord Wright, but the real reason, I think, was this—that they sympathised with the taxpayer, they thought the sum was taxable and therefore they were inconsistent and adopted that figure and did not gross it up. It may have been a hard case, but hard cases make bad law.

Let me tell you what Lord Wright's argument was. If you look again at sub-sect. 2 of sect. 7 of the Finance Act of 1931 you will see that it says: "A dividend . . . shall . . . be deemed for all the purposes . . . to represent income of such an amount as would after such deduction of tax as is authorised by the provisions of the said Rule 20 be equal to the net amount received." Lord Wright said that "net amount" implies that there has been first of all a gross amount, then a sum has been deducted by way of tax and then you arrive at the net amount. In the case of the dividend warrant I have read to you, there is only a net amount of £17 18s. 1d., because the sum paid by the company to the Inland Revenue has been deducted. Lord Wright said that there was no question that there never was a sum of £5,000, and you could not subtract a real figure from a fictitious figure and get a net amount. That is the reasoning, and I am afraid the decision has to be left there. I am very loth to express any opinion about it, but one ought not to hedge, and I do submit that the figure adopted by their Lordships is quite indefensible. I want to leave that point for your discussion, and we will see how far we can get in that way.

In order to elucidate the position, I want to consider one or two cases, because here we have this decision and the question is, how far are we entitled to rely upon it? After all, it is a decision of the House of Lords, and until

the House of Lords alters its mind it is perfectly good law, and you, as auditors and taxpayers, are entitled to take the benefit of it. Let us assume that I am a shareholder holding 1,000 shares in a company with a capital consisting of 10,000 £1 ordinary shares. Let us take income tax at the rate of 5s. in the £, not because of the approaching election but because it is an easy figure to work out. Let us assume that after the company has paid tax it has a sum of £1,500 to distribute, and I own one-tenth of the shares. The company can do one of two things. It can declare a dividend of 20 per cent., less tax, or it can declare a dividend of 15 per cent. and deduct nothing. Suppose the company decides to send me a dividend warrant in the second form adopted in *Neumann's* case, it makes me a present of £150 out of the gross sum. Do I have to gross that up, or do I not? It is a curious position. If I do not have to gross it up, does it mean that the company can affect the taxable capacity of its shareholders to that extent? It certainly looks as if it does, but it is a very difficult conclusion to accept. It may be right. Clearly the company can declare a dividend of 20 per cent., deducting tax in the ordinary way, and then send a dividend warrant in the ordinary form. Then the sum has to be grossed up. But supposing they send what is in effect the net amount and say, as they are apparently entitled to say, that they are sending it without falling back upon their right to deduct? Rule 20 says: "shall be entitled to deduct," but they are not bound to do it, and if the company does not deduct the tax, what is the position? I would not like to express an opinion upon it at all.

Take a slightly different case. Suppose a *bona fide* company has been trying experiments with a new product and for the last couple of years has not been making any profit. The assessment to income tax has been nil so far as the company is concerned. This year it makes a profit of £1,500. Now let us assume that because of the mode of assessment the company is not called upon to pay any tax on that sum, and let us also assume that the company believes in its future and that there will be profits in the following year which will be sufficient to bear tax, so that there is very little likelihood of this sum ever being called into question. That is to say, next year there will be enough to pay the tax then due, and therefore they are entitled to distribute the whole amount. Rule 20 says, "shall be entitled to deduct the tax appropriate thereto." True, but the first part talks about paying the tax—"the profits or gains to be charged on," which means "charged on and paid by." Supposing it does not pay, what is the position then? It certainly looks as if it is not entitled to deduct anything, but should distribute the full amount. The recipient of the dividend of £150 would then say, "Must I gross up that amount or shall I leave it as it stands?" I do not know, and I should like to hear your views on that point.

Just one more case. Let us assume that a perfectly *bona fide* company has not been making any trading profit but has disposed of one of its capital assets and finds, after making proper allowance for depreciation on other capital assets, that it is entitled to distribute a sum of £1,500. Perhaps you think I am skating on thin ice. There are various ways of dealing with that figure, but let us assume that the company decides to distribute the £1,500 to its shareholders. I, as a shareholder, receive £150. Am I bound to gross it up, or am I not?

I am going to leave the problem there for your discussion, but I will only say this, not with a view in any way to checking discussion but because one ought to express a view. The safe course when in doubt—not necessarily in those three instances but in the difficult cases that do arise under *Neumann's* case—the safe course

as a rule is to gross up; but that is cold comfort to many people. Each case has to be considered on its merits, but if in doubt the safer course to take is to follow the general rule. I venture to think there can be very little doubt about the true construction of the statute. You may say: "There is the decision of the House of Lords," but, after all, it is the statute which governs, and the House of Lords having decided a particular case on those facts may, when it comes to a similar case, not adopt the principle of the decision and prevent that decision growing up into a rule. So if you ask me what is the safe course to adopt, I say "gross up," but I know there are many tempting cases where one does not want to do it, and many of them I should dearly love to argue.

District Societies of Incorporated Accountants.

LIVERPOOL

A dance of the Liverpool District Society was held at the Adelphi Hotel, Liverpool, on November 26th. The guests included the Lord Mayor of Liverpool (Councillor R. J. Hall) and the Lady Mayoress (Miss Margaret Hall), Mr. R. Wilson Bartlett, J.P. (President of the Society of Incorporated Accountants) and Mrs. Wilson Bartlett, Mr. W. R. MacGregor, F.C.A. (President, Liverpool Society of Chartered Accountants), Mr. Percy Corkhill, C.B.E. (Lord Mayor's Secretary), and Mr. Ernest E. Edwards (Parliamentary Secretary of the Society of Incorporated Accountants). The M.C. was Mr. Alexander Hannah, and the stewards, Mr. James W. Brown and Mr. C. R. Wolfenden.

SOUTH WALES AND MONMOUTHSHIRE

(CARDIFF AND DISTRICT STUDENTS' SECTION.)

By kind invitation of the Postmaster of Cardiff, a party of members attended an exhibit of Post Office sound films on November 28th. An excellent display of films lasting about two hours included: (a) The Air Mail; (b) Telephone Workers; (c) 6d. Telegrams; (d) John Atkins Saves Up; (e) Industrial Britain; and (f) Telegraphs.

An interesting and instructive evening was concluded by a brief discussion on various points raised by those present.

The annual Dance, held at the Whitehall Rooms, Park Hotel, Cardiff, on December 11th, was well attended by senior and student members, the number present being 119. The function proved most enjoyable and in every respect a successful gathering.

A football match of an experimental nature, being the first game arranged under the Association code, took place on December 4th between this Society and the South Wales and Monmouthshire Chartered Accountants Students' Society, on the famous enclosure at Ninian Park, Cardiff, by kind permission of the Cardiff A.F.C. Under variable weather conditions a thoroughly enjoyable game resulted in a win for the Chartered students by 9 goals to 4.

In the *Morning Post* of Monday, December 9th, an interesting supplement was issued on London's water supply. The article on Londoners and their Water Rates was written by Mr. A. V. Huson, A.S.A.A., Accountant to the Metropolitan Water Board.

Incorporated Accountants' Bradford and District Society.

ANNUAL DINNER.

The annual dinner of the Incorporated Accountants' Society of Bradford and District, held at the Midland Hotel, Bradford, on November 29th, was of particular interest because it celebrated the Silver Jubilee of that Society. The PRESIDENT (Mr. C. L. Townend, Halifax) presided over a gathering of nearly 200 guests and members, including: The Lord Mayor of Bradford (Alderman Jonas Pearson, J.P.) and the Lady Mayoress (Mrs. Townend), Mr. Walter Holman (Vice-President of the Society of Incorporated Accountants and Auditors), and Mrs. Holman, The Mayor of Keighley (Councillor J. Henderson, J.P.), the Mayoress of Keighley (Miss Henderson), the Deputy Mayor of Halifax (Alderman Mrs. Lightowler, J.P.), Sir Enoch Hill, J.P., Lady Hill, J.P., Mr. Dudley G. Ackroyd, J.P. (President, Bradford Chamber of Commerce), Mr. Thomas Gray (Secretary, Bradford Chamber of Commerce), Mr. J. R. Bonner (Senior Inspector of Taxes, Bradford), Mr. H. Holdsworth, M.P., Mr. V. Stocks (President, Halifax Chamber of Trade), Mr. C. A. Gadie (President, Bradford and District Auctioneers' and Estate Agents' Association), Mr. G. H. Eady, J.P., Mr. Wyndham T. Vint (President, Bradford Incorporated Law Society), The Lord Mayor's Chaplain (The Very Rev. E. W. Mowll, M.A.), Mr. J. W. Gordon Butterfield (President, Leeds, Bradford and District Society of Chartered Accountants), Mr. E. E. Edwards, B.A. (Parliamentary Secretary, Society of Incorporated Accountants and Auditors), Mr. A. Swallow (President, Bradford and District Chartered Accountants' Students' Society), Mr. H. Cunningham (President, Sheffield District Society), Mrs. H. Cunningham, Mr. W. A. Nixon (President, Manchester District Society), Mrs. W. A. Nixon, Mr. Halvor Piggott (Joint Hon. Secretary, Manchester District Society), Mr. T. W. Dresser (Hon. Secretary, Yorkshire District Society), Mr. M. H. Groves and Mr. J. Spoors (President and Hon. Secretary, Newcastle-upon-Tyne District Society), Mr. J. W. Richardson (Hon. Secretary, Sheffield District Society), and Mr. T. M. Rhodes (Hon. Secretary, Bradford District Society).

Following the Loyal Toast, given by the PRESIDENT and received with musical honours,

Mr. DUDLEY G. ACKROYD, J.P. (President of Bradford Chamber of Commerce), proposed the toast of "The City of Bradford and District." Mr. Ackroyd, noting that the toast was to be responded to by the Lord Mayor of Bradford, the Mayor of Keighley and the Deputy Mayor of Halifax, remarked that he was not quite sure how Halifax and Keighley, both important boroughs, felt about being classified as part of the "district" of Bradford. (Laughter.) It was, however, an undoubted fact that the three places were very closely allied by industry, particularly by the textile industry, and because of that it was easy to understand how closely they were linked professionally by a district organisation of Incorporated Accountants. The city of Bradford and the boroughs of Keighley and Halifax were neighbours geographically, and they were undoubtedly complementary to each other as important units in a great whole known to the business world as Westedopolis. Bradford itself was merely, one might suggest, the alpha and omega of it. The chief citizens, aldermen and councillors of Bradford, and he supposed also of Halifax and Keighley and of all other municipalities, were often subjected to criticism, as all in public life must expect

to be. But there were occasions on which it was opportune to pay a tribute to the earnest and conscientious service they rendered to their community, and this was such an occasion. Bradford was proud of its public services, its social service, its educational system and its health organisations and religious institutions, and he had every reason to believe the Incorporated Accountants of the area had equally good reason to be proud of their own Society. Mr. Ackroyd wished the Bradford District Society every prosperity and success on this, its Silver Jubilee day. (Applause.)

The LORD MAYOR OF BRADFORD (Alderman Jonas Pearson), responding, said it was a pleasure to reply to that toast at a time when the trade and business of the community showed so much improvement on the conditions of recent years. It was even more gratifying to feel that there was every prospect of trade being on the up-grade for some time to come. There was, however, still a factor of disquietude. In the middle of last century Bradford was noted for its engineering industries. These had declined. Some of the most important engineering trades appeared to have been lost, and he was afraid that, through some cause or other, they were allowing their heavy industries to drift southward. As Lord Mayor he wished to emphasise that Bradford could present excellent facilities for the encouragement and establishment of new industries, and he could also give an assurance that the district could supply workers second to none in the country. (Applause.)

The DEPUTY MAYOR OF HALIFAX (Alderman Mrs. Miriam Lightowler), seconding the response, remarked that she was proud to have been last year the first woman Mayor of Halifax and was proud also to be, as she believed, the first woman to speak to a toast at the dinner of the Bradford and District Incorporated Accountants. As a woman she could assure the gathering that the ladies present were enjoying the privilege of being guests of the men who, they were led to suppose, held their fate in the hollow of their hands. (Laughter.) They in Halifax had been in full sympathy with Bradford in its difficulties through the long period of industrial depression, and now that things were improving they were united in hoping they would all share the enjoyment of a return to a prosperity which they trusted might continue for a long time to come. (Applause.)

The MAYOR OF KEIGHLEY (Councillor J. Henderson, J.P.), who also responded, said he had a great admiration for Bradford. No city had had to endure more hard knocks nor had endured them more bravely, nor did he know of any community which, given the chance, recovered more quickly. As to Bradford's engineering trade, to which the Lord Mayor had regretfully referred, he was not sure it was all going South. Perhaps Bradford's loss was that it had gone to Keighley. (Laughter and applause.)

Sir ENOCH HILL, J.P. (President of the Halifax Building Society), proposing the toast of "The Society of Incorporated Accountants and Auditors," said he regarded it as an honour that the duty of proposing that important toast should fall to his lot. As President of a Building Society which had nearly 400 branches and some 6,000,000 accounts, and also as President of the Chartered Institute of Secretaries, he was not unfamiliar with accountants and their ways. He would like to say at once of these diligent—and, he would add, at times extremely ingenious—people, that he had a high regard and respect for them. Where, for instance, would Building Societies be without their aid, and who could measure the assistance and advice given by accountants to the secretaries of our great companies and institutions? After a long and

intimate experience of accountants, he could say with sincerity that he knew of no finer or more likeable body of men and women. He had not, however, come there merely to extol the virtues of the accountant as an individual, but to say a few words about their great organisation. This year had witnessed the fiftieth anniversary of the Society of Incorporated Accountants and Auditors, and the occasion was observed in London in a manner which was not likely to be soon forgotten by those who had the good fortune to attend. From 1885 to 1935 was a long time, and for the Society it had been a period of continuous progress and development. He understood that in 1885, the first year of the Society's existence, the total membership was only 300. By 1905 it had increased to more than 2,000, and by 1925 to 4,435. To-day there were no fewer than 6,700 members, of whom 95 per cent. were qualified by examination. That was a very fine record and one of which the Society could be justifiably proud. That, however, was not the whole story, because last year 1,950 students submitted themselves to the examinations to qualify for membership. There were signs that the mesh of the sieve for admission to the Society appeared to become smaller, as for the last three years the proportion of passed had been declining and the proportion of failures increasing, with the general result that each section now represented approximately 50 per cent. of the whole. The operations of the Society to-day were world-wide. In addition to 23 District Societies, there were branches in Scotland, Ireland, Canada, Australia and South Africa, and members of the Society were practising in many other countries. The Society to-day had no fewer than 65 women members—further evidence, if such were needed, of woman's ability to compete with man, even in a technical field such as that of accountancy. The distinction of being the first woman to qualify fell, he believed, in 1920, to a native of Bradford, Miss Mabel Claridge, whose name was familiar to them all. Miss Claridge's father, the late Mr. William Claridge, was at that time President of the Parent Society. It was he who led the movement which founded the Bradford District Society in 1910. To-day only ten original members remained of the Society as it was founded in 1885. In that connection he expressed his feeling of deep sorrow at the passing of Sir James Martin, whose death only a few months after the fiftieth anniversary celebrations—over which he presided—had robbed the Society of one of its most distinguished figures. Sir James had guided the destinies of the Society from its beginning, and during his Secretaryship he gave the Society the benefit of his abundant energy, great wisdom and wide experience. He could speak of Sir James Martin personally, as it was his privilege to enjoy his friendship and to have spent many days of happy relaxation with him. To know a man thoroughly it was necessary to see not only how he worked, but also how he played. Sir James always played the game of life as a gentleman. When Sir James resigned from the Secretaryship in 1919 he was succeeded by Mr. Alexander Garrett, the present Secretary, whose splendid record of service was known to them all. One factor which had greatly impressed him in his experience with members of the accountancy profession was the increasing friendship between the Chartered and the Incorporated Accountants. He felt it was commendable that whatever rivalry there might have been in the past or might be at present had not prevented the whole qualified profession attaining a dignity and usefulness which had secured and deserved the confidence of the British public. Their work had a profound effect on the country's welfare, and especially in connection with vast changes in commercial and

financial matters due to extension of joint stock companies, multiple stores, combines and holding companies. The qualified accountant was now the watch-dog of the taxpayer—the complexities of the income tax and sur-tax laws making it essential that the interests of the taxpayer should be properly guarded. That did not mean that the business of the qualified accountant was to get rid of his clients' liability to income tax, but that he should see that all legitimate rights of the taxpayer were brought into account in arriving at that liability. In conclusion, Sir Enoch congratulated his friend and colleague, Mr. Townend, on the honoured position he occupied in his profession and as President of their District Society, and he coupled with the toast another name well known to them all—that of Mr. Walter Holman, the Vice-President of the Parent Society, who, on returning from service with His Majesty's Forces, devoted himself especially to the Society's educational work, was one of the Society's examiners, and had a record of service of which any man might well feel proud. (Applause.)

Mr. WALTER HOLMAN (Vice-President of the Society of Incorporated Accountants and Auditors) thanked Sir Enoch Hill for the generous terms in which he had proposed the toast and acknowledged gratefully the hearty manner in which it had been received. Sir Enoch Hill was one of that comparatively small band of human beings who had high ideals, who gave them form and substance by their own actions, and who were so fortunate as to be privileged to live and see them crowned with success. Sir Enoch's name would for ever be associated with that of the Halifax Building Society, of which he was the head, and with the international movement of building societies. As a result of his life's work, the cause of home-ownership had extended throughout the civilised world and had contributed enormously to the welfare of his fellow men. It was a matter of pride to him to be the bearer of greetings and good wishes from the Parent Society, which had lately celebrated its Jubilee of 50 years, to the Bradford and District Society, which that evening was celebrating the completion of 25 years' useful work. That double celebration had something of a parallel in the personalities of the proposer of and responder to the toast, because this year Sir Enoch Hill had celebrated the fiftieth anniversary of his connection with the Building Society movement, and he himself had just celebrated the twenty-fifth anniversary of that memorable and somewhat awe-inspiring day when he "scraped through" the examination. He was now convinced he must have managed to do so because in those days statistics and economics were not in the curriculum of the Society. He was glad to know that several of those who were associated with the Bradford and District Society's foundation were present that night, and it was a privilege to congratulate them on the outcome of their efforts and to congratulate the District Society on its development. There were others who had served it well and deserved well of its kindly memories who were no longer with them. The late Mr. William Claridge led the movement which founded the Bradford District Society. He was its first President and he presided at its first dinner. Mr. Claridge was a man who served the whole profession well. He was for many years on the Council of the Parent Society, and latterly filled with great ability the offices of Vice-President and President. He was also an active member of the Examining Board. His memory was still fragrant in the Council of the Society, and it was very fitting that at that Jubilee gathering they should remember him with gratitude. Although he was himself associated with Mr. Claridge for some short time on the Council, his closer

association personally with Bradford was with their late friend, Mr. Herbert Reynolds, whose memory would long remain green for his efficient and enthusiastic work as Hon. Secretary of the Bradford District Society, and whose early death whilst occupying its Presidency was a loss deplored alike by his friends in his own district and by the Council. Another whom they would never forget, Sir James Martin, served the profession and the Parent Society for 34 years as its Secretary, and filled with distinction on two occasions the office of President. To him, perhaps more than to any other man, was due the high position the Society occupied in the official, professional and commercial life of the country and its sphere of influence throughout the British Dominions. (Hear, hear.) By an early post members of the Society would be receiving details of a scheme which had been drawn up by the Council in memory of Sir James Martin, and he hoped they would give the matter their careful and sympathetic attention, so that the memorial might be fully worthy of the man in whose memory it was being established. Twenty-five years ago, when the Bradford Society was founded, the Parent Society had some 2,300 members. To-day it had upwards of 6,500. Twenty-five years ago in Bradford alone there were 49 Incorporated Accountants. At the end of 1934 the number was about 130. When they looked at these marked increases, and particularly when they remembered that they of that Society were not the only body of professional accountants, they could not help wondering what had caused this enormous increase in accountancy service, and whether the supply of accountants was tending to exceed the demand. It was not long after the formation of the Bradford Society that the outbreak of the Great War brought about many great changes, and one of them was the need to find new avenues of taxation. The State became a partner in every business undertaking. As taxpayers they might well hold the view that the share the State took was excessive, and as observers of industry they might well believe that—particularly in the case of new industrial concerns—the demands of the National Revenue departments were such as to act as a deterrent, because they made it difficult to finance expansion from within. As accountants, however, they were bound to admit that what had been other men's poison had been their meat, and that the vast increase in demand for the accountant's services was due largely to the ramifications and extensions of taxation. But that was past. What of the future? In his view the tendency of rationalisation and the processes of amalgamations and eliminations taking place in business created a position which called for the attention of both practising accountants and students. The present tendency of industry was likely to reduce the field for individual accountants and create a demand for larger units of accountancy, as well as for a higher standard of attainment. In that connection he would like to leave in their minds the words: "Two are better than one, because they have a better reward for their labour; and a three-fold cord is not quickly broken." In the coming summer there would be another Incorporated Accountants' Course at Cambridge. To the students present—and, through their principals, to those who were not present—he was bound as an examiner to mention that the standard of preparation for the examinations still left a great deal to be desired. Much of this lack of proper preparation, he was convinced, was due to the absence of personal tuition. Since he had been appointed to the position he now held he had himself had ample cause to regret that in his own early days the student course did not include tuition in public speaking such as was now offered to the Bradford District students, he believed, by Mr. Arthur

Duxbury. Students, he hoped, would take every possible advantage of the classes offered in their district; personal tuition would convey much that could never be conveyed merely by correspondence courses. Accountancy could, perhaps, hardly be called exactly romantic. Yet one had to admit that there were times when accountancy had its adventures, its thrills and even its romance like other walks of life. Romance, after all, was a thing of the spirit rather than of external conditions, and as a thing of the spirit it could transform the commonplace into the realms of beauty and the highest service. (Applause.)

Mr. C. L. TOWNEND (President of the Bradford and District Society), proposing the toast of "The Guests," read a telegram from Mr. Garrett, the Secretary of the Parent Society, in which he sent congratulations to the Bradford and District Society on its twenty-fifth anniversary, and best wishes and greetings to the members. The year 1935, said Mr. Townend, seemed indeed to have been a wonderful year of Jubilees. As already mentioned by previous speakers, Incorporated Accountants began with their memorable fiftieth anniversary celebration in London, and those who were privileged to be present would be proud of the fact that their late Secretary, Sir James Martin, had presided on that occasion. Little did they think that in so short a time afterwards he would be taken from them. They might find some consolation in the knowledge of all that his life's work had built up, something of which they should all be proud to try to emulate. The next Jubilee of the year was that of their Majesties the King and Queen, a great occasion which would remain in lifelong memory of them all. He himself had had two Jubilees in that notable year. It was 25 years since he had the temerity to begin in practice for himself, and it happened also to be 25 years since he took that even greater adventure of a life's partnership, with a lady who was present with them. That association, to use the language of accountancy, had been rich in dividend every year, in happiness and a measure of material success, and in addition they had been fortunate in having had three bonus issues—(laughter)—two of whom were present that evening, and one was at the present time among those who were endeavouring to pass those same terrible examinations that they all knew in order that he might follow in his father's footsteps. (Applause.) There had been other jubilee occasions also in which he had himself lately been concerned. Early in the month he had attended the fiftieth anniversary celebration of the Halifax Law Society and only the previous night, in that very room, he had represented Incorporated Accountants at the Jubilee dinner of the Bradford Law Society. Now they were celebrating the Silver Jubilee of their own Society and at such a moment they must not be unmindful of those who worked for the good of the Society in its early days. They were honoured that evening by the presence of many distinguished guests. They were grateful to Sir Enoch Hill for coming to submit the principal toast of the evening, that of the Parent Society. They were indebted to Mr. Holman, who so kindly and so ably had deputised for his President. They all wished Mr. Holman every happiness in his present office and looked forward to the day when, they hoped, he would occupy the highest office the Society could offer. They welcomed that evening representatives of many other professions and industries, and they were delighted to have the ladies with them. On behalf of the members of the Bradford and District Society he thanked all the guests for their presence. (Applause.)

Mr. W. A. NIXON (President of the Manchester and District Society) and Major A. H. RICHARDSON (Chief

Constable of Halifax) responded: Mr. Nixon said this was a great and memorable night for the members of the Bradford and District Society, and it led him to look forward to the Manchester Society celebrating its Jubilee in March next.

Incorporated Accountants' Belfast and District Society.

ANNUAL DINNER.

There was a large attendance at the annual dinner of the Belfast and District Society which was held in the Grand Central Hotel on December 2nd, Mr. ROBERT BELL, the President, presiding. The guests included the Prime Minister of Northern Ireland (Viscount Craigavon), Mr. Walter Holman (Vice-President of the Society of Incorporated Accountants), Mr. Percy Toothill (Member of the Council), Mr. A. B. Babington, K.C., M.P. (Attorney-General for Northern Ireland), Sir Ernest Herdman (Chairman, Belfast Harbour Board), Mr. G. B. Hanna, K.C., M.P. (Parliamentary Secretary to the Ministry of Home Affairs), Mr. W. D. Scott (Permanent Secretary to the Northern Ireland Ministry of Commerce), Mr. D. L. Clarke (Chairman of the Northern Ireland Road Transport Board), Mr. W. Robson (Commissioner of Valuation), Mr. Hugh Boyd (President, Institute of Chartered Accountants in Ireland), Mr. John M. Thompson (President, Belfast Chamber of Trade), Mr. R. J. Walsh (Chairman, Belfast Society of Chartered Accountants), Mr. J. Thompson (Inspector of Taxes), Mr. John Cosgrove (Chairman of the Northern Ireland Branch of the London Association of Certified Accountants), Mr. D. H. Alexander (Principal, Belfast College of Technology), Prof. F. T. Lloyd-Dodd, Mr. W. Williams (Inspector of Taxes), and Mr. E. E. Edwards (Parliamentary Sec. Society of Incorporated Accountants).

After the Loyal Toast the PRESIDENT welcomed the guests and particularly, he said, Mr. Holman from the Parent Society.

Mr. WALTER HOLMAN (Vice-President of the Society of Incorporated Accountants), proposing the toast of "His Grace the Governor, and Prosperity to Northern Ireland," referred to a previous visit which he had paid to Northern Ireland, and said that in the course of it he had been taken to Stormont, which he had examined in the manner customary to Incorporated Accountants. He received all the information and explanations he required. In his opinion such building was properly erected so as to exhibit a true and correct view of the state of Northern Ireland, according to the best of the information and explanations given to him, and as shown by the books—by the looks of the people. They would notice that that certificate was not qualified in any way, and it only remained to be added that on that occasion the auditor giving the certificate was also a shareholder. (Laughter.) Of the many and wonderful and delightful associations connected with his visit he mentioned Stormont because it gave the impression of continuity and stability which, to a sympathetic onlooker, were the outstanding features of the Government of Northern Ireland. His Grace the Duke of Abercorn held what must surely be a record for length of service among the great Pro-Consuls who had represented his Majesty either in Ireland or in any of the British Dominions. That his Grace had fulfilled his high office and carried out his important duties to the entire satisfaction of the Sovereign whom he represented was shown by the extensions granted in his tenure of office, and that the satisfaction was shared by the people of Northern Ireland was proved by the affection with which he was universally regarded. (Applause.) He did not doubt that the Governor would gladly admit that not a

little of his success was due to the association of the Duchess in his work. (Applause.) Going on to refer to the Government of Northern Ireland, Mr. Holman said that there he was faced with a phenomenon unique among post-war democracies—a Government which had held office uninterruptedly for a period of fifteen years. He ventured to express the opinion that one explanation of that apparent paradox was to be found in the character and personality of their principal guest. (Applause.) Government, as we Britishers understood it, was team work, and to have been able to achieve and maintain unity for so long a period was a tribute to all the members of the team, and particularly to the one who led them. (Applause.) The unbroken support of a majority of the electorate was, he thought, to be explained by a characteristic of the people which was not so common in England as it used to be, and as one could wish it were still—he meant that they in Ulster had strong convictions and that they were prepared to stand by them, come what might. (Applause.) He wondered if they would allow him to illustrate his point by a simile drawn from the common experience of accountants. The principle of limited liability had facilitated the growth and development of industry, and incidentally also the growth and development of the profession of accountancy, but it had been accompanied by a divorce between ownership and management, between privilege and responsibility, between rights and duties, and as a class shareholders were notorious for their apathy and inertia. Democracies were liable to similar deterioration in their attitude towards municipal and national affairs, but Northern Ireland stood out in strong contrast. If he read them aright, they were not shareholders in a soulless entity, but partners in a living organism, and their passionate devotion to that organism accounted for the remarkable stability of their Government. If his diagnosis was correct, then he had stumbled on the explanation of the prosperity which had been achieved and the reason for the hope of still further progress; for continuity of policy and stability of conditions were the principal elements of prosperity, and without them solid and lasting prosperity was impossible. (Hear, hear.) Conditions such as he had indicated were not without their dangers. Without effective opposition, stability could degenerate into stagnation, but he could find no trace of any such state in the record of the Northern Ireland Government. (Applause.) Indeed, the co-ordination of all the transport facilities in the country under one central authority seemed to him to indicate a Government which was alive to the needs created by changing conditions, and which was doing what it could to give industry and commerce conditions which would enable them to function freely and efficiently, and it was upon such that prosperity depended. It was sometimes said that accountants flourished whatever the state of trade, and he could not deny that they did manage to extract some advantage to themselves in the course of their efforts to assist others in their misfortunes. Nevertheless, he believed that the demand for their professional services was most active during periods of industrial prosperity, and the toast he was proposing would, therefore, arouse a sympathetic response in the minds of all members of the Society of Incorporated Accountants and Auditors in whose honour they were gathered there that night. (Applause.)

The PRIME MINISTER, responding, said it was very good of the Vice-President to come to Belfast and propose the toast in such felicitous terms. He would have great pleasure in conveying to his Grace the Governor and the Duchess Mr. Holman's kind references. He had obtained that day a number of very interesting figures which he had thought of quoting to confirm that there was prosperity

in their midst, but on reflection he had decided that to bring tables of statistics to that gathering would be like taking coals to Newcastle or goals to New Zealand—except, of course, from Ulster. The truth of the matter was, he went on to say, he had never looked upon himself as a Prime Minister in the true sense of the word; he looked upon himself as a co-partner with all the Ulster people in an endeavour to hold up their heads, to develop the resources of their country, one to lend a hand to the other, and to carry on, as true brothers, in their anxiety that Ulster should be a prosperous and happy spot, and one of which they should be proud. One had only to look back a few years to realise that to-day they were emerging from what had been a most deplorable cycle of some ten or twelve years. Their people had revealed to the world that they were by no means down and out, and that every investigation showed that they had turned the corner and were prepared to go along with the United Kingdom—all parts of it—along the road which he hoped would bring them back to the old prosperity enjoyed in pre-war days. Accountants as a body did not, in the old days, hold the same position in public opinion that they held to-day. Among his friends in London were a number of accountants, and one of them had told him that accountants had had little to look forward to except a long life of drudgery, but now there were better opportunities because the custom had arisen of appointing Incorporated Accountants as secretaries of great companies and combines, and many of them actually insisted on having them on their boards. He thanked them for bringing him to their festive board once more. He had enjoyed himself, and if he had a complaint to make it was that there he was in a room filled with the very finest experts, and instead of listening to a lecture from them—say on the Douglas Credit System—he was talking to them. He had enjoyed himself very much and hoped he would be invited again, and that it would not be as long as twelve years. (Applause.)

Mr. A. B. BABINGTON (Attorney-General) proposing the toast "The Society of Incorporated Accountants and Auditors," said he had frequently a great deal to say to members of their Society. Sometimes he examined them and sometimes cross-examined them. One had to be very careful when one of their profession presented himself in the witness box because they were so infernally accurate. (Laughter.) They had set a very high standard in their profession, and it made him nervous that evening in case his more fluid mentality did not live up to their standard. Their profession was one which was growing and increasing in importance. He was bound to say he thought they owed a great deal to the State because their activities were founded by tactless Governments passing complicated laws relating to income tax and companies. (Laughter.) He supposed the time would come when, with regard not only to public finance but to private finance, they would have to call in the assistance of Incorporated Accountants and give an explanation as to why one's wife bought so many hats, or the male members of the household purchased so much drink. (Laughter.) Their Society was a great Society. It was a world-wide organisation; wide in its ramifications and well worthy of their support. He would like to submit the toast on the basis that they should give the Society the best support they possibly could. It took the place of the Inns of Court in his own profession which for over 500 years had been regulating their affairs. He was quite sure that their method of managing the affairs of the Society, and therefore of their profession, was very important for the public, and also very important for the members because their methods of doing business, and their standards, were not matters for the individual alone. They should be the concern of the profession as a whole. It was by their

Society that they were each individually protected, and from it they derived a common standard and a common measure of professional etiquette. The Society promoted, he was sure, a feeling of strength and sense of security not only for the individual but for the profession as a whole, and further, promoted the equally important sense of dignity among the members. As they became more and more important their standards became more and more important to themselves and to the public. They had become the watchdogs of the public; they stood between the public and the people who preyed upon the public—sharepushers and others—and also between the public and what was, perhaps, even more dangerous than mere dishonesty—inefficiency. Their profession was rapidly bringing all business up to a modern standard which enabled it to compete not only with comparable trades in their own country, but with the trades it was in competition with in foreign lands. Therefore he thought their Society was worthy of their respect and support for the good which it brought not only to themselves but to the community. He was sure it must give a feeling of satisfaction to the members of the Belfast and District Society to know that they were on an equal footing with members of the profession across the Channel, and in the Colonies, and that they took a common standard and a common government. It was pleasant that they had such distinguished members of the profession from England. He had sat beside Mr. Holman before, and he did so with pleasure again. They were all glad that the relations between the Belfast and District Society and the Parent Society in England were so harmonious, and that those gentlemen could find time to cross the Channel and give them a word of encouragement and advice. (Applause.)

Mr. PERCY TOOTHILL, F.S.A.A. (Sheffield), responding, said he did so for the first time. After the wonderful kindness and hospitality which they had enjoyed he sincerely hoped he would have the pleasure of visiting them again before long. The visitors were doing their best to keep up with the standard which the Belfast and District Society had arranged for their comfort and pleasure. As most of them were aware, their Society had a membership of over 6,000, and there were Branches and District Societies throughout England and Wales and the Dominions. It was upon this membership and the District Societies that the welfare of the Society depended. Every endeavour was made by the Parent Society by means of Conferences, and in other ways, to elevate and advance the profession throughout the world. If he might throw out a suggestion, he hoped it would be possible before long for a conference to be held in Belfast. He knew that if a Conference of the Society were held in Belfast under the guidance of Mr. Bell it was bound to be an unqualified success. (Applause.) The death of Sir James Martin was an irreparable loss to the Society. The Society desired to commemorate his death in a worthy form. During the whole of Sir James Martin's 50 years' association with the Society he had been particularly interested in the education of Incorporated Accountants, and also in the assistance of those less fortunate members through the Benevolent Fund. It had been decided to found exhibitions to be called "The Sir James Martin Memorial Exhibitions," and these would be financed out of the funds of the Society. In addition, it had been felt that every member of the Society would desire to mark his affection by responding to the appeal to raise a permanent endowment as part of the Benevolent Fund. The income from the Benevolent Fund was devoted entirely to the assistance of members who were in need, and to the relief of dependants. On the President's behalf he made a personal appeal to every member of the Society to con-

tribute so that a fund might be raised which would be worthy of the love and the devotion which Sir James had given the Society.

The CHAIRMAN (Mr. Robert Bell), proposing the toast of "The City and Trade of Belfast," said that the past year had been one of exceptional activity in the building trade, an activity which was promoted by both public and private enterprise. It had also witnessed a considerable revival in their shipbuilding activities and they hoped that the recent launch of the warship under construction for the Admiralty was only an indication of further developments in the shipbuilding industry for which their city was justly famous. (Applause.) There had been other signs that their city was developing its trade, and it was but right that credit should be given to those public boards which had consistently provided facilities for the enhanced importance of their city and the promotion of its trade. It was fitting that in reference to the city and trade of Belfast mention should be made of the Harbour Board, whose Chairman was their guest that night. Sir Ernest Herdman had been a member of the Harbour Board for thirty-one years, and so had full knowledge of the many schemes for the development of the port which had been carried out. That the Harbour Board was alive to the requirements of the future was evidenced by their efforts in the reclamation of some 300 acres of land. They were hopeful that the inauguration of an air port was looming nearer, and he wished the scheme every success.

Sir ERNEST HERDMAN, Chairman of the Belfast Harbour Board, responding, said that the harbour income was £25,000 in the year 1849, while to-day it was £300,000. He thanked the Society for their hospitality and wished them success.

Mr. J. S. WHITE, F.S.A.A., Vice-President of the Belfast and District Society, proposed the health of the Guests.

Mr. GEORGE B. HANNA, K.C., M.P., and Mr. J. THOMPSON, Inspector of Taxes, responded.

The toast of "The President" was proposed by Mr. Ernest E. Edwards, Parliamentary Secretary of the Society of Incorporated Accountants.

Scottish Notes.

[FROM OUR CORRESPONDENT.]

Ground Annuals and Income Tax.

The recent decision of the First Division of the Court of Session in an Income Tax Appeal, *The Commissioners of Inland Revenue v. John Emery & Sons*, dealt with a situation which has been prevalent in Scotland for many years. Builders acquired building estates, divided them into building plots, erected dwelling-houses thereon, and sold them to purchasers. In many cases, the builders created ground annuals over the houses and site, the houses being sold subject to the burden of the ground annual. The ground annuals remained in the possession of the builder who could, if he wished, sell them for a capital sum.

The question was whether the realisable value of the ground annuals had to be taken into account as a consideration received by the builders when their profits were being computed.

Theoretically this kind of transaction is distinguishable from a feu duty as it is a payment imposed on the lands, whereas feu duty is a payment reserved out of the lands, and the argument for the appellants proceeded on the

ground that such ground annuals were not subject to income tax.

The Lord President remarked that the fallacy of the argument for the appellants was the supposition that no annual profits or gains could arise, unless the whole consideration was paid in actual cash. This supposition was not only unsupported by authority but was inconsistent with the terms of the Act, and was in direct conflict with authority. The Court accordingly dismissed the appeal and held that the market value of the ground annuals should be included in the taxable profits.

Insurance Company Liquidation.

We have referred in this page to the affairs of the Anglian Insurance Company, Limited. A note was presented to the Court by the liquidator to determine primarily whether or not the liquidator was bound to admit to a ranking in the liquidation claims in respect of accidents occurring between the date of the presentation of the petition for winding up and the date when the winding-up order was pronounced, namely, February 23rd, 1935.

A large number of claims had been intimated to the liquidator in respect of accidents occurring subsequent to December 12th, 1934, the date of the original petition, and considerable sums were received by the company in premiums subsequent to that date while the company continued to carry on business. It was accordingly important to ascertain the date of the commencement of the winding-up. In the original petition reference was made to the repealed Companies Act of 1908, and the petition was on February 5th subsequently amended, on the motion of Counsel for the Lord Advocate, acting for the Board of Trade, by deleting the reference to the Act of 1908, and founding on the Companies Act, 1929, as the basis of the crave.

Lord Carmont held that the original petition founding on a repealed statute was inept and that the date for the commencement of the winding-up was February 5th, 1935. He also decided that the liquidator should not admit to a ranking in respect of accidents occurred between February 5th, 1935, and February 22nd, 1935, the date when the winding-up order was pronounced.

A Corporation Printing Scheme.

The Second Division of the Court of Session had recently before them an appeal from the Lord Ordinary of a petition by a ratepayer against the Corporation of Glasgow by which he sought to interdict the Corporation from carrying into effect a resolution passed at a special meeting of the Corporation on November 20th, 1934, and in particular from levying and applying rates either now or in the future for establishing a stationery and printing department. The Second Division affirmed the interlocutor of the Lord Ordinary and dismissed the petition.

A point arose as to the scope of the resolution. It comprehended four main purposes:—(1) the manufacture of the whole stationery requirements of the Corporation; (2) the printing required by the Corporation and its Committees; (3) the bookbinding required by the Corporation; and (4) the manufacture of exercise books and other "school requisites" for the schools under its charge.

The Lord Justice Clerk, in the course of his judgment, said that if the Corporation chose to print its own minutes and the minutes of its committees, or its demand notes, or other official intimations, or to cut and imprint its own notepaper, or to bind its own ledgers and accounts, that, in his Lordship's opinion, was its own concern. He knew of no law to prevent it. Lord Hunter drew a distinction as regards the Glasgow Corporation acting as an Education Authority and expressed the view that it would be *ultra vires* as regards the Education Department.

Notes on Legal Cases.

[The abbreviations at the end of each of the cases refer to the following law reports, where full reports of the case may be found. The Law Reports and other reports are cited with the year and the Division, e.g. (1925) 2 K.B. :—

T.L.R., *Times Law Reports*; *The Times*, *The Times Newspaper*; L.J., *Law Journal*; L.J.N., *Law Journal Newspaper*; L.T., *Law Times*; L.T.N., *Law Times Newspaper*; S.J., *Solicitors' Journal*; W.N., *Weekly Notes*; S., *Session Cases (Scotland)*; S.L.T., *Scots Law Times*; I.L.T., *Irish Law Times*; J.P., *Justice of the Peace (England)*; L.G.R., *Knight's Local Government Reports*; B. & C.R., *Bankruptcy and Company Cases*.

The other abbreviations used in modern reports are H.L., House of Lords; A.C., Appeal Court (House of Lords and Privy Council); C.A., Court of Appeal; Ch., Chancery Division; K.B., King's Bench Division; P., Probate, Divorce and Admiralty Division; C.S., Court of Session (Scotland); J., Mr. Justice (King's Bench or Chancery); L.J., Lord Justice; L.C., Lord Chancellor; M.R., Master of the Rolls; N.I., Northern Ireland; P. Pres., President of Probate, Divorce and Admiralty.]

COMPANY LAW.

Re National Flying Services, Limited.

Commission on Sale of Undertaking.

Where a receiver appointed by the Court sells property of which he has been appointed receiver he cannot pay commission to an agent who has been instrumental in securing the sale unless he applies for and obtains the sanction of the Court to do so. Unless the receiver takes this step, the agent is not entitled to any commission, but if the Court considers that it is equitable that he should receive some payment it will award him what it thinks is in the circumstances a fair sum.

(Ch.; (1935) 52 T.L.R. 37.)

EXECUTORSHIP LAW AND TRUSTS.

Sallis v. Iones.

Revocation of Will by Marriage.

Sect. 18 of the Wills Act, 1837, provides that every will made by a man or woman is revoked by his or her marriage. By sect. 177 of the Law of Property Act, 1925, a will expressed to be made in contemplation of a marriage shall, notwithstanding anything in sect. 18 of the Act of 1837, not be revoked by the solemnisation of the marriage contemplated.

Bennett (J.) held that in order that the operation of sect. 18 of the Act of 1837 may be excluded and prevented from operating to revoke a will made before a testator's marriage, there must be in that will an express reference to that particular marriage.

(Ch.; (1935) W.N. 206.)

In re Heath; Public Trustee v. Heath.

Construction of Will.

The rule of construction, that if real estate be devised to A if or when he shall attain a given age, with a limitation over in the event of his dying under that age, the attainment of the given age is held to be a condition subsequent and not precedent and A takes an immediate vested

estate, subject to be divested on his death under that age, applies equally to a legacy of personal estate as to a devise of real estate or a gift of mixed real and personal estate. (Ch.; (1935) 52 T.L.R. 54.)

INSOLVENCY.

In re a Debtor (No. 415 of 1935).

Interests of General Body of Creditors.

A petition having been presented on May 10th, 1935, in respect of an act of bankruptcy committed in April, the Registrar made a receiving order on July 11th, although a receiving order had already been made against the same debtor on July 5th in a county court on a petition presented in June in respect of an act of bankruptcy committed on May 31st.

It was held that there was jurisdiction to make the order, and sometimes a second order might have real practical value, but there should be satisfactory evidence that a second order was in the interests of the general body of creditors.

(C.A.; (1935) S.J. 921.)

In re a Debtor (No. 523 of 1934).

Bankruptcy Notice.

By Rules 140 and 141, Bankruptcy Rules, 1915, where a bankruptcy notice has been issued against a debtor, the filing by the debtor of an affidavit to the effect that he has a counterclaim or cross demand which equals or exceeds the amount of the judgment debt, and which he could not have set up in the action in which the judgment was obtained, operates as an application to set aside the bankruptcy notice.

It was held that the Registrar must fix a day for hearing the application, and if it cannot be heard until after the time specified in the bankruptcy notice for compliance with the requirements of the notice, he should extend the time for so doing until after the hearing of the application. If the affidavit is insufficient the Registrar should endorse it "Affidavit not sufficient—No case raised."

(Ch.; (1935) B. & C.R. 189.)

In re Rothman.

Persistent Neglect of Trustee.

A trustee having persistently disregarded the directions of the Board of Trade to send his accounts for audit, the Board removed him. His accounts were sent in shortly after his removal, and it was not alleged that he had been guilty of any misappropriation or other irregularity. The creditors by ordinary resolution disapproved of the trustee's removal and the trustee appealed to the High Court.

Clauson (J.) held on the facts that the Board of Trade's decision to remove the trustee was right.

(Ch.; (1935) B. & C.R. 224.)

MISCELLANEOUS.

North and South Insurance Company v. National Provincial Bank.

Pay Cash or Order.

A document drawn in the form "pay cash or order," not being payable either to a specified person or to bearer, is not a bill of exchange within the meaning of the Bills of Exchange Act, 1882, and therefore not a cheque. The words "or order" being printed, and the word "cash" being written, the printed words were to be neglected in favour of the written word. Therefore, the document was simply a direction to pay cash to the bearer.

(K.B.; (1935) 52 T.L.R. 71.)